


STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☒

APPLICATION FOR PERMIT TO DRILL						1. WELL NAME and NUMBER Jensen Federal 6-10-12-10							
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT CASTLEGATE							
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME							
6. NAME OF OPERATOR BLUE TIP CASTLEGATE, INC.						7. OPERATOR PHONE 620 202-1749							
8. ADDRESS OF OPERATOR 1205 Independence Ave., Price, UT, 84501						9. OPERATOR E-MAIL mcerelli@btoperating.com							
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU65948				11. MINERAL OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>				12. SURFACE OWNERSHIP FEDERAL <input type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input checked="" type="checkbox"/>					
13. NAME OF SURFACE OWNER (if box 12 = 'fee') James T. Jensen, Jerry Jensen, Dix Jensen						14. SURFACE OWNER PHONE (if box 12 = 'fee') 801-944-6600							
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee') 2961 East Caitland Court, Salt Lake City, UT 84121						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')							
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')				18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>				19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>					
20. LOCATION OF WELL		FOOTAGES		QTR-QTR		SECTION		TOWNSHIP		RANGE		MERIDIAN	
LOCATION AT SURFACE		1886 FNL 1754 FWL		SE NW		10		12.0 S		10.0 E		S	
Top of Uppermost Producing Zone		1886 FNL 1754 FWL		SE NW		10		12.0 S		10.0 E		S	
At Total Depth		1886 FNL 1754 FWL		SE NW		10		12.0 S		10.0 E		S	
21. COUNTY CARBON				22. DISTANCE TO NEAREST LEASE LINE (Feet) 412				23. NUMBER OF ACRES IN DRILLING UNIT 160					
				25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 1320				26. PROPOSED DEPTH MD: 4800 TVD: 4800					
27. ELEVATION - GROUND LEVEL 7162				28. BOND NUMBER B005638				29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE Municipal water supply in Price or Helper, UT					
Hole, Casing, and Cement Information													
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight			
Surf	12.25	8.625	0 - 600	24.0	K-55 ST&C	8.5	Class G	428	1.19	12.5			
Prod	7.875	5.5	0 - 4800	17.0	K-55 LT&C	8.5	Class G	693	1.17	11.5			
							Class G	293	1.19	12.5			
ATTACHMENTS													
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES													
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER						<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN							
<input checked="" type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)						<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER							
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)						<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP							
NAME Lisa Smith				TITLE Permitting Agent				PHONE 303 857-9999					
SIGNATURE				DATE 05/20/2011				EMAIL lspermitco@aol.com					
API NUMBER ASSIGNED 43007501770000				APPROVAL  Permit Manager									

RECEIVED: Jun. 27, 2011

CONFIDENTIAL - TIGHT HOLE

ONSHORE OIL & GAS ORDER NO. 1

Approval of Operations on Onshore
Federal and Indian Oil & Gas Leases

Jensen Fed. #6-10-12-10
1886' FNL and 1754' FWL
SE NW Section 10, T12S - R10E
Carbon County, Utah

Prepared For:

Blue Tip Castlegate, Inc.

By:

PERMITCO INC.
P.O. Box 99
Eastlake, CO 80614
303/857-9999

Copies Sent To:

- 4 - Bureau of Land Management - Price, UT (E-File)
- 1 - Utah Division of Oil, Gas & Mining - SLC, UT (E-File)
- 1 - Blue Tip Castlegate, Inc. - Lakewood, CO
- 1 - Blue Tip Castlegate, Inc. - Price, UT
- 1 - Blue Tip Castlegate, Inc. - Houston, TX
- 1 - James Jensen - Salt Lake City, UT (Surface Use Plan Only)



ONSHORE ORDER NO. 1
Blue Tip Castlegate, Inc.
Jensen Fed #6-10-12-10
1886' FNL and 1754' FWL
SE NW Section 10, T12S - R10E
Carbon County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-65948

DRILLING PROGRAM
Page 1

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. **ESTIMATED TOPS OF ALL GEOLOGIC GROUPS, FORMATIONS, MEMBERS, OR ZONES**

The estimated tops of important geologic markers are as follows:

<i>Formation</i>	<i>Depth</i>	<i>Subsea</i>
Colton	Surface	+7,177'
Price River	3,075'	+4,452'
Castlegate SS	3,441	+4,027'
Blackhawk	3,759	+3,327'
Kenilworth	4,504'	+2,602'
Aberdeen	4,684'	+2,437'
TD	4,800'	+977'

2. **ESTIMATED DEPTH AND THICKNESS OF OIL, GAS, WATER & OTHER MINERAL ZONES**

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

<i>Substance</i>	<i>Formation</i>	<i>Depth</i>	<i>Thickness</i>
Coal	Blackhawk	3,759'-4,504'	725'



ONSHORE ORDER NO. 1
Blue Tip Castlegate, Inc.
Jensen Fed #6-10-12-10
1886' FNL and 1754' FWL
SE NW Section 10, T12S - R10E
Carbon County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-65948

DRILLING PROGRAM

Page 2

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and will be cased and cemented. When possible, water flow rates will be measured and samples will be taken and analyzed with the results being submitted to the BLM. All oil and gas shows will be tested to determine commercial potential.

3. SPECIFICATIONS FOR BLOWOUT PREVENTION EQUIPMENT AND DIVERTER SYSTEMS

Blue Tip Castlegate, Inc.'s minimum specifications for pressure control equipment are as follows:

Ram Type: 5000 psi w.p.

BOP systems will be consistent with API RP 53 and Onshore Oil and Gas Order No. 2. Pressure tests of the surface casing and all BOP equipment potentially subject to pressure will be conducted before drilling the surface casing shoe. Blowout preventer controls will be installed prior to drilling the surface casing shoe and will remain in use until the well is completed or abandoned. Ram preventers will be inspected and operated each trip (no more than once a day is necessary), and annular preventers will be inspected and operated weekly to ensure good mechanical working order. These inspections shall be recorded in the drilling log and in the daily drilling report.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

A BOPE pit level drill shall be conducted weekly for each drilling crew.



ONSHORE ORDER NO. 1
Blue Tip Castlegate, Inc.
Jensen Fed #6-10-12-10
1886' FNL and 1754' FWL
SE NW Section 10, T12S - R10E
Carbon County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-65948

DRILLING PROGRAM

Page 3

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log. Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

Pressure tests shall apply to all related well control equipment.

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 5,000 psi working pressure blowout preventor.
- b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

4. PROPOSED CASING PROGRAM

- a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.



ONSHORE ORDER NO. 1
Blue Tip Castlegate, Inc.
Jensen Fed #6-10-12-10
1886' FNL and 1754' FWL
SE NW Section 10, T12S - R10E
Carbon County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-65948

DRILLING PROGRAM

Page 4

- b. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- c. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- d. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
- e. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
- f. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
- g. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.
- h. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- i. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.
- j. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.



ONSHORE ORDER NO. 1
Blue Tip Castlegate, Inc.
Jensen Fed #6-10-12-10
1886' FNL and 1754' FWL
SE NW Section 10, T12S - R10E
Carbon County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-65948

DRILLING PROGRAM

Page 5

k. The proposed casing program will be as follows:

<i>Purpose</i>	<i>Depth</i>	<i>Hole Size</i>	<i>O.D.</i>	<i>Weight</i>	<i>Grade</i>	<i>Type</i>	<i>New/Used</i>
Surface	0' - 600'	12-1/4"	8-5/8"	24#	K-55	ST&C	New
Production	0' - 4,800'	7-7/8"	5-1/2"	17#	K55	LT&C	New

<i>Purpose</i>	<i>Collapse</i>	<i>Burst</i>	<i>Tensile</i>
Surface	1370	2950	381,1000
Production	4910	5320	273,000

The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals.

Casing design assumes formation pressure gradients of .44 to .50 psi/ft. and fracture gradients from .70-1.00 psi/ft.

All waiting on cement times will be adequate for >500 psi compressive strength at the casing shoe.

Centralizers will be used where necessary.

All casing shall be new or reconditioned. If reconditioned, casing will be tested to API standards for new casing.



ONSHORE ORDER NO. 1
Blue Tip Castlegate, Inc.
Jensen Fed #6-10-12-10
1886' FNL and 1754' FWL
SE NW Section 10, T12S - R10E
Carbon County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-65948

DRILLING PROGRAM

Page 6

5. PROPOSED CEMENTING PROGRAM

- a. The cement program will be as follows:

Surface	Type and Amount
TOC @ Surface	428 sx Class G Cement, 2% BWOC Calcium Chloride, .25% bbls/sack Cello Flake, 44.3% Fresh Water, 12.5 ppg, 1.19 cft/sk
Production	Type and Amount
TOC @ Btm of Surface Casing	Lead: 639 sx 35:65 POZ Class G, 12.5 ppg P42, 5.9% P154, 2.5% S1, 5% P20, 0.25 pps P29, 0.2% P46, 11.5 ppg, 1.17 cft/sk Tail: 293 sx 50:50 POZ Class G, 3% P20, 5.9% P154, 0.7% P167, 0.25% P65, 0.2% P46, 12.5 ppg, 1.19 cft/sk

- b. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.
- c. The following reports shall be filed with the District Manager within 30 days after the work is completed.
- Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:
 - Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
 - Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.



ONSHORE ORDER NO. 1
Blue Tip Castlegate, Inc.
Jensen Fed #6-10-12-10
1886' FNL and 1754' FWL
SE NW Section 10, T12S - R10E
Carbon County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-65948

DRILLING PROGRAM

Page 7

d. Auxiliary equipment to be used is as follows:

1. Kelly cock
2. No bit float is deemed necessary.
3. A sub with a full opening valve.

6. PROPOSED CIRCULATING MEDIUM OR MEDIUMS

a. The proposed circulating mediums to be employed in drilling are as follows:

<i>Interval</i>	<i>Mud Type</i>	<i>Mud Wt.</i>	<i>Visc.</i>	<i>F/L</i>
0' - 600'	Air	---	---	---
600' - 4,800'	Aerated Water	---	---	---

Sufficient mud materials will be stored on location to maintain well control and combat lost circulation problems that might reasonably be expected.

- b. Due to potential for contamination of usable quality water aquifers, chromates are banned from Federal leases.
- c. Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing or completion operations.

7. PROPOSED TESTING, LOGGING, AND CORING

The anticipated type and amount of testing, logging and coring are as follows:

- a. No drill stem tests are anticipated. However, if DST's are run, the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's



ONSHORE ORDER NO. 1

Blue Tip Castlegate, Inc.

Jensen Fed #6-10-12-10

1886' FNL and 1754' FWL

SE NW Section 10, T12S - R10E

Carbon County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-65948

DRILLING PROGRAM

Page 8

may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve provided some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

- b. The logging program will consist of the following: A Triple Combo with High Res to be run from surface to TD.
- c. No cores are anticipated.
- d. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).
- e. The completion program will be determined based on gas shows.

8. **EXPECTED BOTTOM HOLE PRESSURE**

- a. The expected maximum bottom hole pressure is 2500 psi.



ONSHORE ORDER NO. 1
Blue Tip Castlegate, Inc.
Jensen Fed #6-10-12-10
1886' FNL and 1754' FWL
SE NW Section 10, T12S - R10E
Carbon County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-65948

DRILLING PROGRAM

Page 9

- b. No hydrogen sulfide gas is anticipated.
- c. As per Onshore Order No. 6, III,A,2.b., if hydrogen sulfide is present the "operator shall initially test the H₂S concentration of the gas stream for each well or production facility..." Submit the results of this test within 30 days of filing Form 3160-4, "Well Completion or Recompletion Report and Log".

9. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS

- a. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date on which the well is placed on production.
- b. Production data shall be reported to the MMS pursuant to 30 CFR 216.5 using form MMS/3160.
- c. The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or the date on which gas is first measured through permanent metering facilities, whichever first occurs.
- d. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.
- e. Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or the operator shall be required to compensate the lessor for



ONSHORE ORDER NO. 1
Blue Tip Castlegate, Inc.
Jensen Fed #6-10-12-10
1886' FNL and 1754' FWL
SE NW Section 10, T12S - R10E
Carbon County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-65948

DRILLING PROGRAM

Page 10

that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

- f. A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3 and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 and Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.
- g. Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

- h. Drilling operations are planned to commence upon approval of this application.
- i. It is anticipated that the drilling of this well will take approximately 10 days.
- j. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.
- k. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.
- l. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.



ONSHORE ORDER NO. 1
Blue Tip Castlegate, Inc.
Jensen Fed #6-10-12-10
1886' FNL and 1754' FWL
SE NW Section 10, T12S - R10E
Carbon County, Utah

CONFIDENTIAL - TIGHT HOLE

Lease No. UTU-65948

DRILLING PROGRAM

Page 11

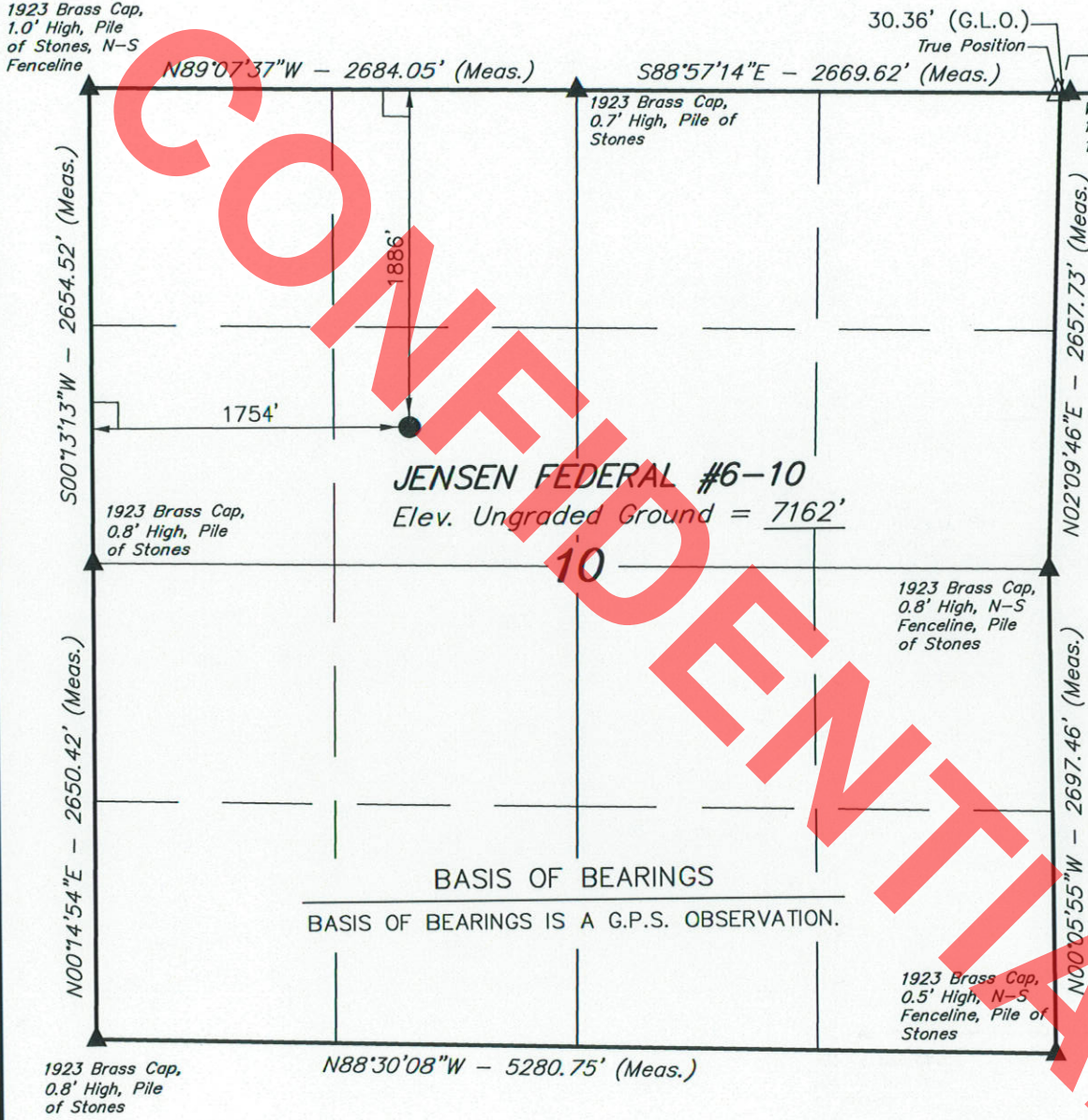
- m. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.
- n. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

CONFIDENTIAL

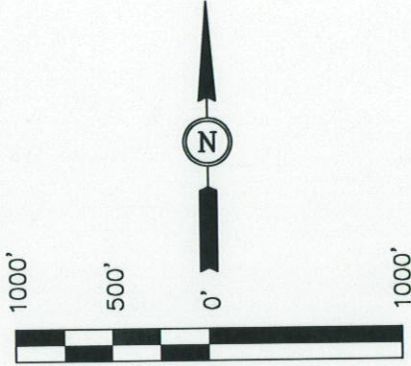


Well location, JENSEN FEDERAL #6-10, located as shown in the SE 1/4 NW 1/4 of Section 10, T12S, R10E, S.L.B.&M. Carbon County, Utah.

T12S, R10E, S.L.B.&M.



BASIS OF ELEVATION
BENCH MARK LOCATED IN THE SW 1/4 NE 1/4 OF SECTION 10, T12S, R10E, S.L.B.&M. TAKEN FROM THE MATTS SUMMIT, QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7131 FEET.



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

CERTIFICATE
Robert Kay
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

REVISED: 04-05-11 D.P.
REVISED: 10-08-08

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

- LEGEND:**
- = 90° SYMBOL
 - = PROPOSED WELL HEAD.
 - = SECTION CORNERS LOCATED.

AUTONOMOUS NAD 83 (SURFACE LOCATION)	SCALE 1" = 1000'	DATE SURVEYED: 09-15-08	DATE DRAWN: 09-29-08
LATITUDE = 39°48'01.58" (39.800439) LONGITUDE = 110°47'28.71" (110.791308)	PARTY N.H. C.H. E.M.	REFERENCES G.L.O. PLAT	
AUTONOMOUS NAD 27 (SURFACE LOCATION)	WEATHER WARM	FILE BLUE TIP OPERATING, LLC	
LATITUDE = 39°48'01.71" (39.800475) LONGITUDE = 110°47'26.14" (110.790594)			

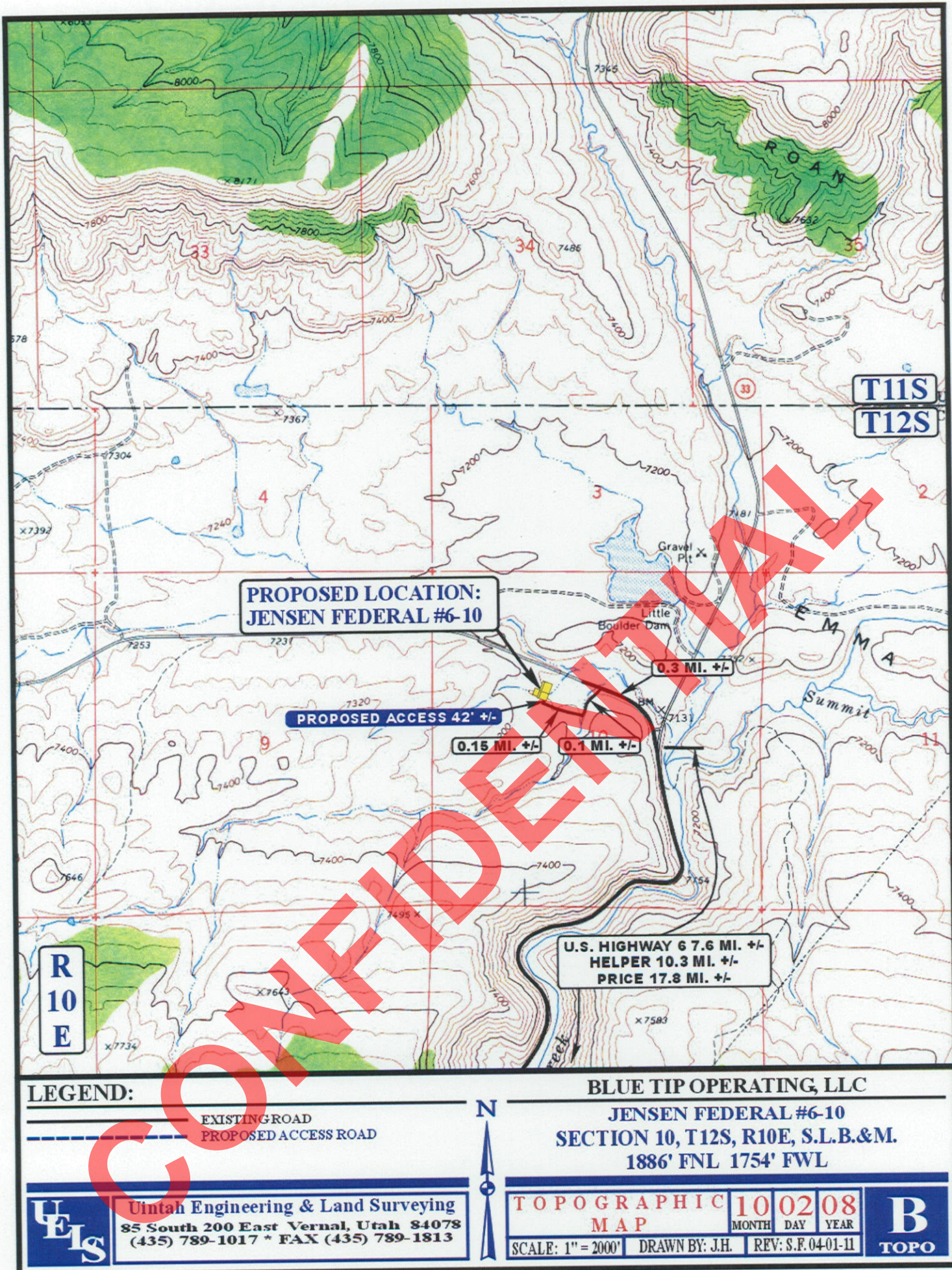
RECEIVED: Jun. 27, 2011

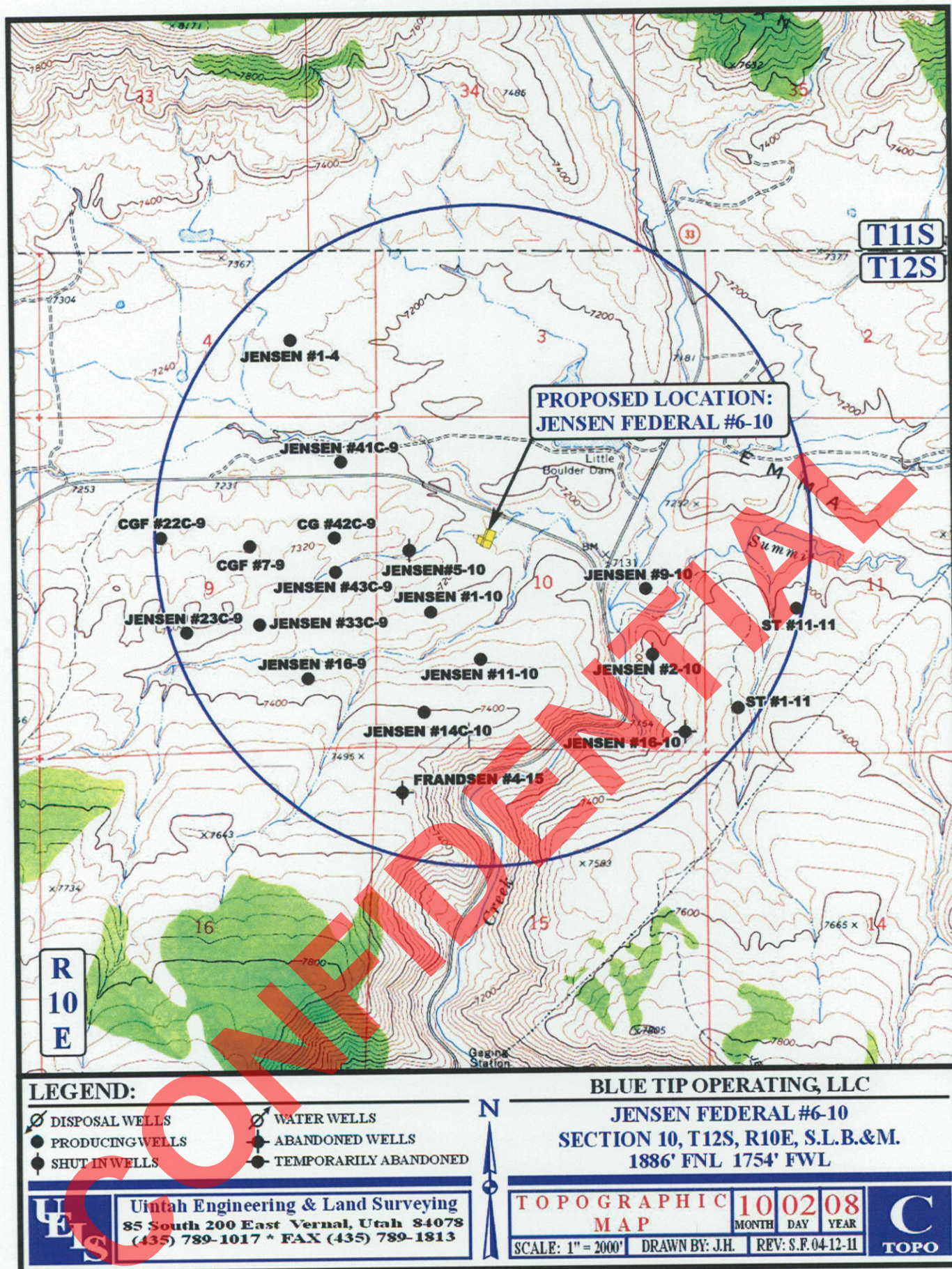
APL Well Number: 43007501770000

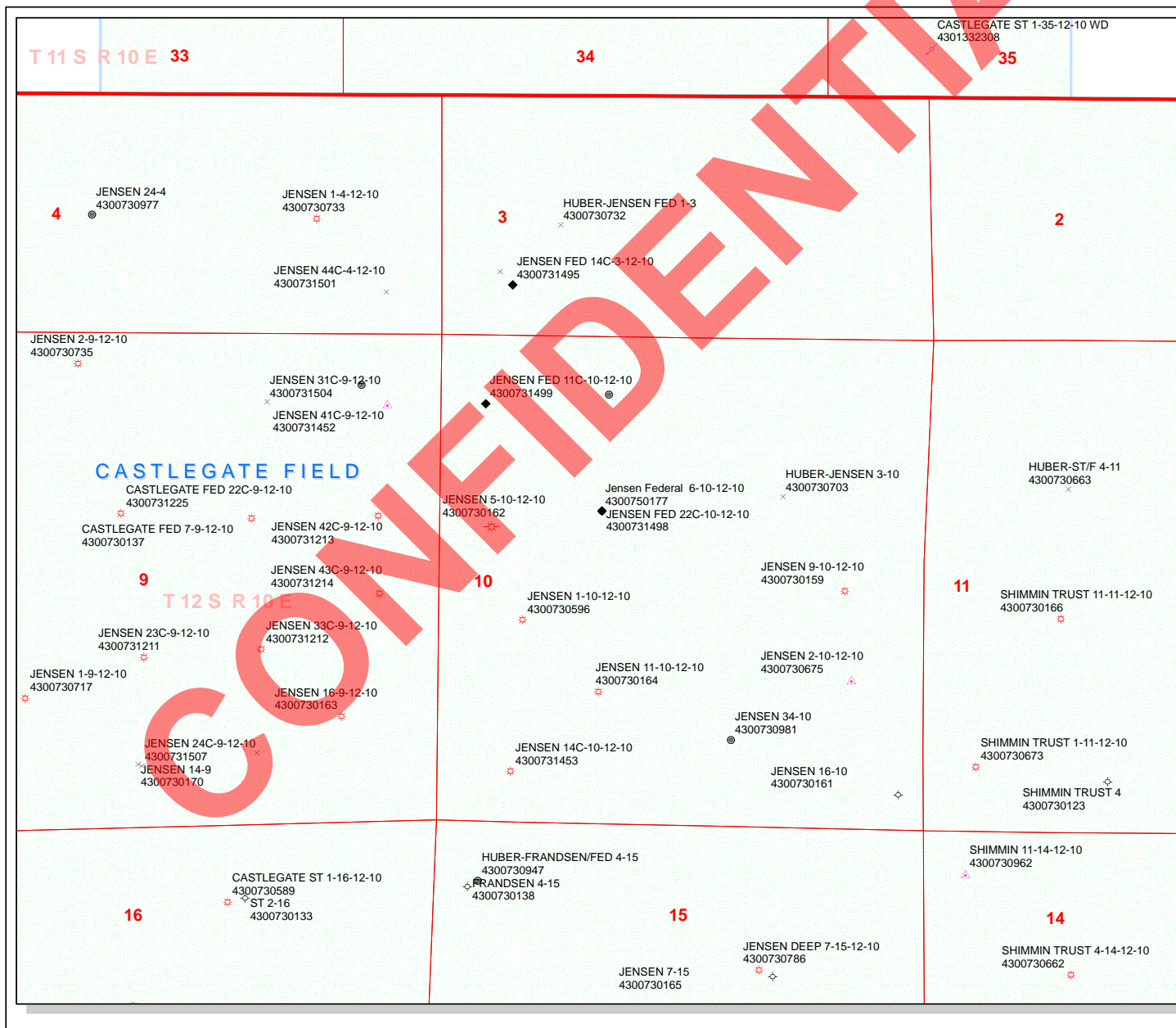


A
TOPO

SCALE: 1:100,000	DRAWN BY: J.H.	REV: S.F. 04-01-11
------------------	----------------	--------------------



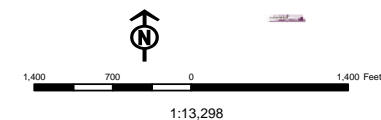




API Number: 4300750177
Well Name: Jensen Federal 6-10-12-10
Township T12. Range R10. Section 10
Meridian: SLBM
Operator: BLUE TIP CASTLEGATE, INC.

Map Prepared:
 Map Produced by Diana Mason

- | | |
|---------------|------------------------------------|
| Units | Wells Query |
| STATUS | Status |
| ACTIVE | APD - Approved Permit |
| EXPLORATORY | DRL - Spudded (Drilling Commenced) |
| GAS STORAGE | GIW - Gas Injection |
| NF PP OIL | GS - Gas Storage |
| NF SECONDARY | LA - Location Abandoned |
| PI OIL | LOC - New Location |
| PP GAS | OPS - Operation Suspended |
| PP GEOTHERMAL | PA - Plugged Abandoned |
| PP OIL | PGW - Producing Gas Well |
| SECONDARY | POW - Producing Oil Well |
| TERMINATED | RET - Returned APD |
| Fields | Status |
| Unknown | SGW - Shut-in Gas Well |
| ABANDONED | SOW - Shut-in Oil Well |
| ACTIVE | TA - Temp. Abandoned |
| COMBINED | TW - Test Well |
| INACTIVE | WDW - Water Disposal |
| STORAGE | WIW - Water Injection Well |
| TERMINATED | WSW - Water Supply Well |
| Sections | |
| Township | |



**SELF-CERTIFICATION STATEMENT
FROM LESSEE/OPERATOR**

SURFACE OWNER IDENTIFICATION

Federal or Indian Lease No. UTU-65948
Well(s) Number and Location Jensen Federal 6-10-12-10
SE NW Section 10, T12S-R10E, Meridian: S

I hereby certify to the Authorized Officer of the Bureau of Land Management that I have reached one of the following agreements with the Surface Owner; or after failure of my good-faith effort to come to an agreement of any kind with the Surface Owner, I will provide a bond:

- 1) X I have a signed access agreement to enter the leased lands;
- 2) I have a signed waiver from the surface owner;
- 3) I have entered into an agreement regarding compensation to the surface owner for damages for loss of crops and tangible improvements.
- 4) Because I have been unable to reach either 1), 2), or 3) with the surface owner, I will obtain a bond to cover loss of crops and damages to tangible improvements.

Surface owner information: (if available after diligent effort)

Surface Owner Name: James T. Jensen, Jerry Jensen and Dix Jensen

Surface Owner Address: 2961 East Caitland Court
Salt Lake City, Utah 84121

Surface Owner Phone Number: (801) 944-6600

Signed this 29 - day of March, 2011

Mike Caselli
(Signed Name of lessee/operator)

ON-SITE PREDRILL EVALUATION

Utah Division of Oil, Gas and Mining

Operator BLUE TIP CASTLEGATE, INC.
Well Name Jensen Federal 6-10-12-10
API Number 43007501770000 **APD No** 3846 **Field/Unit** CASTLEGATE
Location: 1/4,1/4 SENW **Sec** 10 **Tw** 12.0S **Rng** 10.0E 1886 FNL 1754 FWL
GPS Coord (UTM) **Surface Owner** James T. Jensen, Jerry Jensen, Dix Jensen

Participants

Bart Kettle-Division of Oil, Gas and Mining (DOGM), Ammon McDonald-Division of Oil, Gas and Mining (DOGM), Mike Cerelli-Blue Tip Operating, Gary Green-Blue Tip Operating.

Regional/Local Setting & Topography

Proposed project is ~9.5 miles northwest of Helper, in Carbon County Utah. Proposed project site is located in Emma Park, a rather large valley consisting of sage-step rangelands in a 14-18" precipitation zone. Dimensions of Emma Park are roughly 3 miles wide and nearly 10 miles long. To the north topography rises steeply into Reservation Ridge, where prevalent Douglas fir and mountain browse communities are found. Topography to the south breaks off quickly into a series of steep canyons/ledges towards the Price River and Willow Creek. Vegetation consists of Pinion/Juniper woodlands and Ponderosa pine and Gambel oak communities. Drainages in the project area enter Willow Creek ~2 miles, a perennial stream. Soils in Emma Park are generally poorly developed clay and clay loams. From 2001-2005 a study was conducted in the project area attempting to measure the impacts of Coalbed Methane Development on Greater Sage Grouse population inhabiting Emma Park.

Surface Use Plan

Current Surface Use

Grazing
Wildlife Habitat

New Road Miles

0.01

Well Pad

Width 240 **Length** 290

Src Const Material

Onsite

Surface Formation

COLT

Ancillary Facilities

None anticipated.

Waste Management Plan Adequate?

Environmental Parameters

Affected Floodplains and/or Wetlands N

Flora / Fauna

Flora:

Forbs: Spiny Phlox, sulfur cinquefoil, western yarrow.

Grass: Elk sedge, Kentucky blue grass, Indian rice grass, thick spike wheat grass, Columbia needle and thread, Sandburg's blue grass.

Shrubs: Mountain big sage, gray stem rubber rabbit brush

Fauna: Seasonal use by host of song birds and sage obligate species such as sage thrasher and sage sparrow. Year long mule deer habitat, elk winter range. Year long greater sage grouse habitat. Many species of small mammals.

Soil Type and Characteristics

Brown Clay loam, many limestone fragments

Erosion Issues Y

Soils prone to wind erosion when disturbed. Interim reclamation should be completed as soon as practical to stabilize site.

Sedimentation Issues N**Site Stability Issues N**

Selected site appears suitable from proposed project.

Drainage Diversion Required? Y

Drainage diversion required on the western portions of the well pad.

Berm Required? N**Erosion Sedimentation Control Required? Y**

Interim reclamation to stabilize site.

Paleo Survey Run? N Paleo Potential Observed? Y Cultural Survey Run? Y Cultural Resources? N**Reserve Pit****Site-Specific Factors****Site Ranking**

Distance to Groundwater (feet)	75 to 100	10
Distance to Surface Water (feet)	300 to 1000	2
Dist. Nearest Municipal Well (ft)	>5280	0
Distance to Other Wells (feet)	>1320	0
Native Soil Type	Low permeability	0
Fluid Type	Fresh Water	5
Drill Cuttings	Normal Rock	0
Annual Precipitation (inches)	10 to 20	5

Affected Populations

Presence Nearby Utility Conduits	Not Present	0
Final Score	22	Sensitivity Level

Characteristics / Requirements**Closed Loop Mud Required? N Liner Required? Y Liner Thickness 16 Pit Underlayment Required? N****Other Observations / Comments**

Proposed project site is located within the 2001-2005 study area for The Sage-Grouse of Emma Park-Survival, Production, and Habitat use in Relation to Coalbed Methane Development conducted by the Utah Division of Wildlife Resources. As such the following Management Recommendations are given for development within the study area:

- 1.) Noise levels at any leks should be less than 40db. Wells should not be located with 1500 meters of active leks. Where wells already exist inside this buffer, appropriate mufflers or fencing to reduce noise levels should be added.
- 2.) Avoid CBM development in vegetation treatment in the core use areas shown in Figure 10. Furthermore an 8 km

buffer around each lek was necessary to include over 90% of the nest in the area. This buffer would include all of the core use areas mentioned.

- 3.) Restrict traffic near leks from 5 am to 10 am during March 15 through May 10 to reduce disturbance at leks.
- 4.) When wells are to be placed in the sage grouse habitat, select dry ridges or previously treated sagebrush over wet meadows, ephemeral stream channels, and shallow basins with good sagebrush cover.
- 5.) A 50 meter buffer along all heavy traffic roads should be used to calculate habitat lost due to development particularly in winter sage grouse habitats.
- 6.) Where possible, new roads and wells should be constructed in adjacent pinyon-juniper habitat that typically has less wildlife value.
- 7.) Directional drilling minimizes the number of wells and associated road network which in turn minimizes fragmentation of sage grouse habitat.
- 8.) Use the seasonal habitat maps found in Appendix C to assess potential impacts to sage grouse, where necessary these maps should be developed for surrounding areas.
- 9.) Nesting/Summer habitat was found to be the most critical time for sage grouse survival and production during this study. Protection of summer/nesting habitats should be prioritized.

Bart Kettle
Evaluator

6/16/2011
Date / Time

CONFIDENTIAL

Application for Permit to Drill Statement of Basis

6/27/2011

Utah Division of Oil, Gas and Mining

Page 1

APD No	API WellNo	Status	Well Type	Surf Owner	CBM
3846	43007501770000	LOCKED	OW	P	No
Operator	BLUE TIP CASTLEGATE, INC.		Surface Owner-APD	James T. Jensen, Jerry Jensen, Dix Jensen	
Well Name	Jensen Federal 6-10-12-10		Unit		
Field	CASTLEGATE		Type of Work	DRILL	
Location	SENW 10 12S 10E S 1886 FNL 1754 FWL GPS Coord (UTM) 517936E 4405424N				

Geologic Statement of Basis

The mineral rights for the proposed well are owned by the Federal Government. The BLM will be the agency responsible for evaluating and approving the proposed drilling, casing and cement programs.

Brad Hill
APD Evaluator

6/27/2011
Date / Time

Surface Statement of Basis

On-site evaluation conducted June 16, 2011. In attendance: Bart Kettle-DOGM, Ammon McDonald-Division of Oil, Gas and Mining (DOGM), Mike Cerelli-Blue Tip Operating, Gary Green-Blue Tip Operating. Invited and choosing not to attend: Jim Jensen-Surface Owner, Frankie Hathaway-Carbon County, Kyle Beagly-Price BLM.

Proposed site appears adequate for the drilling program. Well site falls within core greater sage grouse brooding area. An active lek is located less than one mile northwest. BLM administered restrictions may apply for greater sage grouse brooding.

Reserve pit should have a 16 mil liner properly installed prior to commencement of drilling activities. Three sides require fence while drilling, with the forth side fenced immediately following removal of drilling equipment.

Storm water shall be prevented from flowing over well pad or entering reserve pit. Diversion points and discharge points shall be rip rapped with a minim of 4" rock to dissipate energy of flows and filter sediment.

Carbon County requires oil and gas operators obtain a conditional use permit from the county for wells proposed on fee lands.

Bart Kettle
Onsite Evaluator

6/16/2011
Date / Time

Conditions of Approval / Application for Permit to Drill

Category	Condition
Pits	A synthetic liner with a minimum thickness of 16 mils shall be properly installed and maintained in the reserve pit.
Surface	The reserve pit shall be fenced upon completion of drilling operations.
Surface	Storm water diversion points shall be rip rapped with 4" or greater rock at diversion and outlet points.
Surface	Drainages adjacent to the proposed pad shall be diverted around the location.

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 5/20/2011**API NO. ASSIGNED:** 43007501770000**WELL NAME:** Jensen Federal 6-10-12-10**OPERATOR:** BLUE TIP CASTLEGATE, INC. (N3680)**PHONE NUMBER:** 303 857-9999**CONTACT:** Lisa Smith**PROPOSED LOCATION:** SENW 10 120S 100E**Permit Tech Review:** ☒**SURFACE:** 1886 FNL 1754 FWL**Engineering Review:** ☐**BOTTOM:** 1886 FNL 1754 FWL**Geology Review:** ☒**COUNTY:** CARBON**LATITUDE:** 39.80048**LONGITUDE:** -110.79049**UTM SURF EASTINGS:** 517936.00**NORTHINGS:** 4405424.00**FIELD NAME:** CASTLEGATE**LEASE TYPE:** 1 - Federal**LEASE NUMBER:** UTU65948**PROPOSED PRODUCING FORMATION(S):** BLACKHAWK**SURFACE OWNER:** 4 - Fee**COALBED METHANE:** NO**RECEIVED AND/OR REVIEWED:**

- ☒ **PLAT**
- ☒ **Bond:** FEDERAL - B005638
- ☐ **Potash**
- ☐ **Oil Shale 190-5**
- ☐ **Oil Shale 190-3**
- ☐ **Oil Shale 190-13**
- ☒ **Water Permit:** Municipal water supply in Price or Helper, UT
- ☐ **RDCC Review:**
- ☒ **Fee Surface Agreement**
- ☐ **Intent to Commingle**
- Commingle Approved**

LOCATION AND SITING:

- ☐ **R649-2-3.**
- Unit:**
- ☐ **R649-3-2. General**
- ☐ **R649-3-3. Exception**
- ☒ **Drilling Unit**
- Board Cause No:** Cause 220-08
- Effective Date:** 10/15/2008
- Siting:** 460' Fr Ext Drl U Bdry & 920' Fr Other Wells
- ☐ **R649-3-11. Directional Drill**

Comments: Presite Completed**Stipulations:** 4 - Federal Approval - dmason
5 - Statement of Basis - bhll**RECEIVED:** Jun. 27, 2011



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: Jensen Federal 6-10-12-10

API Well Number: 43007501770000

Lease Number: UTU65948

Surface Owner: FEE (PRIVATE)

Approval Date: 6/27/2011

Issued to:

BLUE TIP CASTLEGATE, INC. , 1205 Independence Ave., Price , UT 84501

Authority:

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause 220-08. The expected producing formation or pool is the BLACKHAWK Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please leave a voicemail message if not available)

OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <http://oilgas.ogm.utah.gov>

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules

will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

Approved By:

A handwritten signature in black ink, appearing to read "J. Rogers", written over a horizontal line.

For John Rogers
Associate Director, Oil & Gas

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: BLUE-TIP CASTLEGATE, INC.

Well Name: JENSEN 6-10-12-10

Api No: 43-007-50177 Lease Type FEDERAL - FEE SURFACE

Section 10 Township 12S Range 10E County CARBON

Drilling Contractor LLW DRILLING RIG #

SPUDDED:

Date 09/08/2011

Time 5:00 PM

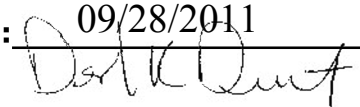
How DRY

Drilling will Commence:

Reported by RAY HOFFMAN

Telephone # (970) 302-8842

Date 09/09/2011 Signed CHD

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU65948
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: BLUE TIP CASTLEGATE, INC.		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 1205 Independence Ave. , Price , UT, 84501		8. WELL NAME and NUMBER: Jensen Federal 6-10-12-10
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1886 FNL 1754 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENW Section: 10 Township: 12.0S Range: 10.0E Meridian: S		9. API NUMBER: 43007501770000
PHONE NUMBER: 620 202-1749 Ext		9. FIELD and POOL or WILDCAT: CASTLEGATE
COUNTY: CARBON		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 9/19/2011	<input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> ALTER CASING	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> OTHER: 	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. To insure the BLM requirement stated as "...provide a 200' overlap above the surface casing shoe...", Blue Tip proposes the following changes to the cementing plan (different than what is outlined in the current APD): Use a stage tool located at 1951' (MD) Stage 1; Lead: 165 sks, 11.5 ppg, 2.83 cft/sk Tail: 190 sks, 13.0 ppg, 1.92 cft/sk Stage 2; Lead: 120 sks, 11.5 ppg, 2.81 cft/sk Tail: 50sks, 13.0 ppg, 1.90 cft/sk		
Accepted by the Utah Division of Oil, Gas and Mining Date: 09/28/2011 By: 		
NAME (PLEASE PRINT) Mike Cerelli		PHONE NUMBER 620 202-1749
SIGNATURE N/A		TITLE Asset Manager
DATE 9/16/2011		

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS <small>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.</small>			5. LEASE DESIGNATION AND SERIAL NUMBER: UTU65948
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: Blue Tip Castlegate Inc.			7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 1205 Independence Ave. CITY Price STATE UT ZIP 84501			8. WELL NAME and NUMBER: Jensen Federal 6-10-12-10
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1886' FNL 1754' FWL			9. API NUMBER: 43-007-750
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 10 12S 10E S			10. FIELD AND POOL, OR WILDCAT: Castlegate
COUNTY: Carbon			STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT <small>(Submit in Duplicate)</small> Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____
<input checked="" type="checkbox"/> SUBSEQUENT REPORT <small>(Submit Original Form Only)</small> Date of work completion: _____			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

To insure the BLM requirement stated as "...provide a 200' overlap above the surface casing shoe...", Blue Tip proposes the following changes to the cementing plan (different than what is outlined in the current APD):

Use a stage tool located at 1951' (MD)

Stage 1; Lead: 165 sks, 11.5 ppg, 2.83 cft/sk

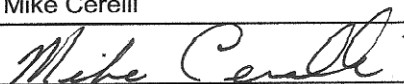
Tail: 190 sks, 13.0 ppg, 1.92 cft/sk

Stage 2; Lead: 120 sks, 11.5 ppg, 2.81 cft/sk

Tail: 50sks, 13.0 ppg, 1.90 cft/sk

NAME (PLEASE PRINT) Mike CerelliTITLE Utah Asset Manager

SIGNATURE


DATE 9/16/2011

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Bluetip Castlegate Inc. Operator Account Number: N 3680
Address: 1205 Independence Ave
city Price
state UT zip 84501 Phone Number: (620) 202-1749

Well 1

SENW

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300750177	Jensen Federal 6-10		SWNE	10	12S	10E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	18209	9/8/2011		9/20/11		
Comments: Spudded surface hole on 9/8/2011 <i>BLKHK = MVRD</i>							

CONFIDENTIAL

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

RECEIVED

SEP 15 2011

DIV. OF OIL, GAS & MINING

Mike Cerelli
Name (Please Print)
Mike Cerelli
Signature
Utah Asset Mgr *9/15/2011*
Title Date

43.007.50m

CONFIDENTIAL

6-10

"Per the cement bond log the first cement stage covered the target formations. The second stage cement covered from 1925' all the way to surface with 5 bbls of cement circulated to the surface completely protecting any potential fresh water intervals. Our plans are to precede with perforating and fracing the coal intervals well below the top of cement on the first stage at 2965'

Jensen Fed 6-10-12-10
12S 10E 10

RECEIVED
OCT 20 2011
DIV. OF OIL, GAS & MINING

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU65948
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: BLUE TIP CASTLEGATE, INC.		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 1205 Independence Ave. , Price , UT, 84501		8. WELL NAME and NUMBER: JENSEN FED 6-10-12-10
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1886 FNL 1754 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENW Section: 10 Township: 12.0S Range: 10.0E Meridian: S		9. API NUMBER: 43007501770000
9. FIELD and POOL or WILDCAT: CASTLEGATE		COUNTY: CARBON
STATE: UTAH		
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input checked="" type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 11/30/2011	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input checked="" type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION	
<input type="checkbox"/> DRILLING REPORT Report Date:	OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. 11/05/11 – PBTD at 4853'. Perforated 4656-4662, 4635-4638, 4625-4626, 4615-4616 with 2 SPF (22 shots). Stage 1-Fraced perforations with 61,549 gal water and 83,700 # 20-40 sand. Perfed 4528-4530, and 4515-4520 with 2 SPF (14 shots). Stage 2-Fraced with 43,696 gal water and 84,200 # 20-40 sand. 11/06/11 – Rig up pulling unit and circ. out sand to 30' above 2nd stage plug (set at 4598) 11/07/11 – Perf with 2 SPF at 4484-4487, 4456-4460 (14 shots). Stage 3-Frac with 77,400 # 20-40 sand and 42,589 gal water. Perf with 2 SPF at 4424-4425, 4412-4414, 4396-4397, 4373-4378, 4313-4314 (28 shots). Stage 4-Pumped 85,400 # 20-40 sand and 48996 gal water. 11/16/2011 – Cleaned out to 4436' and drilled first bridge plug 11/17/2011 – Drilled out 2nd and 3rd plugs and cleaned out to PBTD of 4853' 11/18/11 – Installed submersible pump with pump intake at 4715 11/30/11 – Started pump and started prod.		
NAME (PLEASE PRINT) Mike Cerelli	PHONE NUMBER 620 202-1749	TITLE Asset Manager
SIGNATURE N/A	DATE 12/4/2011	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9			
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU65948			
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:			
2. NAME OF OPERATOR: BLUE TIP CASTLEGATE, INC.		7. UNIT or CA AGREEMENT NAME:			
3. ADDRESS OF OPERATOR: 1205 Independence Ave. , Price , UT, 84501		8. WELL NAME and NUMBER: JENSEN FED 6-10-12-10			
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1886 FNL 1754 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENW Section: 10 Township: 12.0S Range: 10.0E Meridian: S		9. API NUMBER: 43007501770000			
PHONE NUMBER: 620 202-1749 Ext		9. FIELD and POOL or WILDCAT: CASTLEGATE			
COUNTY: CARBON		STATE: UTAH			
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA					
TYPE OF SUBMISSION	TYPE OF ACTION				
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 11/5/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input checked="" type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </td> <td style="width: 33%; vertical-align: top;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: </td> </tr> </table>		<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input checked="" type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER:
<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input checked="" type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: 			
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Blue Tip Castlegate ran a cement bond log on the Jensen Federal 6-10-12-10 in October, 2011 and plan on fracturing the well in the month of November, 2011. Well will be put on production 2-3 weeks after simulation.					
REQUEST DENIED Utah Division of Oil, Gas and Mining Date: 12/19/2011 By: <u><i>Derek Quist</i></u>					
NAME (PLEASE PRINT) Mike Cerelli		PHONE NUMBER 620 202-1749			
SIGNATURE N/A		TITLE Asset Manager			
DATE 11/2/2011					

Please Review Attached Reasons for Denial

RECEIVED

Nov. 02, 2011



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43007501770000

Need details on the proposed frac job. Additional requested information was not uploaded into sundry.

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU65948
1. TYPE OF WELL Oil Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: BLUE TIP CASTLEGATE, INC.		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: 1205 Independence Ave. , Price , UT, 84501		8. WELL NAME and NUMBER: JENSEN FED 6-10-12-10
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1886 FNL 1754 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SENW Section: 10 Township: 12.0S Range: 10.0E Meridian: S		9. API NUMBER: 43007501770000
PHONE NUMBER: 620 202-1749 Ext		9. FIELD and POOL or WILDCAT: CASTLEGATE
COUNTY: CARBON		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 11/5/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 33%;"> <input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION </div> <div style="width: 33%;"> <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input checked="" type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER </div> <div style="width: 33%;"> <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: </div> </div>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. Blue Tip Castlegate ran a cement bond log on the Jensen Federal 6-10-12-10 in October, 2011 and plan on fracturing the well in the month of November, 2011. Well will be put on production 2-3 weeks after simulation.		
Accepted by the Utah Division of Oil, Gas and Mining Date: 01/05/2012 By:		
NAME (PLEASE PRINT) Mike Cerelli		PHONE NUMBER 620 202-1749
SIGNATURE N/A		TITLE Asset Manager
DATE 12/21/2011		

HALLIBURTON

Blue Tip Operating LLC
3900 S Wadsworth Blvd Ste 340
Lakewood, Colorado 80235

Jensen 6-10-12-10

Carbon County, Utah
United States of America
S:10 T:12S R:10E
API/UWI 43007501770000

Stimulation Recommendation and Cost Estimate

Prepared for:

October 24, 2011
Version: 5

Submitted by:
Alex Wagner
Halliburton
1125 17th Street
Suite 1900
Denver, Colorado 80202
303.899.4700

HALLIBURTON

HALLIBURTON

***Halliburton appreciates the opportunity to present
this proposal and looks forward to being of service to you.***

Foreword

Enclosed is our recommended procedure for fracturing the formation in the referenced well. The information in this proposal includes well data, calculations, material requirements, and cost estimates. This proposal is based on information from our field personnel and previous stimulation services in the area. Halliburton appreciates the opportunity to present this proposal for your consideration and we look forward to being of service to you. Our Services for your well will be coordinated through the Service Center listed below. If you require any additional information or additional designs, please feel free to contact myself or our field representatives listed below.

Prime-Up Chemicals

Chemicals used on location for stimulation treatments will be charged based on the beginning and ending chemical straps. This volume will include materials used for priming pumps and for accuracy verification, e.g. bucket testing. Chemicals that are used when utilizing 'System Pricing' will be included in the System Pricing volume.

Prepared by: _____
Elizabeth Lipp
Procedure Analyst

Submitted by: _____
Alex Wagner
Technical Advisor

SERVICE CENTER:	Vernal, UT
SERVICE COORDINATOR:	Marty Curtis
OPER. ENGINEER:	Russell Stimatze
PHONE NUMBER:	435-789-2550

HALLIBURTON

Well Information

Jensen 6-10-12-10

Well Name: Jensen

Well #: 6-10-12-10

Tubulars

Name	Measured Depth (ft)	Outer Diameter (in)	Inner Diameter (in)	Linear Weight (lbm/ft)	Grade
5 1/2" Production Casing	0 - 4800	5.5	4.892	17	J-55

Perforations

Interval Name/ Depth (ft)	Shot Density (spf)	# of Perfs	Phase (DEG)	Hole Diam. (in)	Mid-perf Depth (ft)	Perf Discharge Coef.
Stage 1 / 4656 - 4662	2	12	120	0.32	4659	0.85
Stage 1 / 4635 - 4638	2	6	120	0.32	4636.5	0.85
Stage 1 / 4625 - 4626	2	2	120	0.32	4625.5	0.85
Stage 1 / 4615 - 4616	2	2	120	0.32	4615.5	0.85
Stage 2 / 4528 - 4530	2	4	120	0.32	4529	0.85
Stage 2 / 4515 - 4520	2	10	120	0.32	4517.5	0.85
Stage 3 / 4484 - 4487	2	6	120	0.32	4485.5	0.85
Stage 3 / 4456 - 4460	2	8	120	0.32	4424.5	0.85
Stage 4 / 4424 - 4425	2	2	120	0.32	4424.5	0.85
Stage 4 / 4412 - 4414	2	4	120	0.32	4413	0.85
Stage 4 / 4396 - 4397	2	2	120	0.32	4396.5	0.85
Stage 4 / 4373 - 4378	2	10	120	0.32	4375.5	0.85
Stage 4 / 4313 - 4318	2	10	120	0.32	4315.5	0.85

HALLIBURTON

Job Fluids Summary

Jensen 6-10-12-10

Treated Water

Volume	Base Fluid	Clay Control
17800 (Gal)	Fresh Water*	CLA-Web
Totals	17800 (Gal)	8.9 (Gal)

Delta Frac 140 - R (17)

Volume	Base Fluid	Breaker	Breaker	Surfactant	Clay Control
116250 (Gal)	Fresh Water*	GBW-30	SP Breaker	Gasperm 1100	CLA-Web
Totals	116250 (Gal)	244 (lbm)	348.75 (lbm)	232.5 (Gal)	58.12 (Gal)

Water Frac G - R (17)

Volume	Base Fluid	Surfactant	Breaker	Clay Control
3000 (Gal)	Fresh Water*	Gasperm 1100	GBW-30	CLA-Web
Totals	3000 (Gal)	6 (Gal)	6 (lbm)	1.5 (Gal)

FR-66 Water

Volume	Base Fluid	Surfactant	Clay Control
48000 (Gal)	Fresh Water*	Gasperm 1100	CLA-Web
Totals	48000 (Gal)	96 (Gal)	24 (Gal)

JOB TOTALS

Volume (Gal)	Base Fluid (Gal)	Clay Control (Gal)	Breaker (lbm)	Breaker (lbm)	Surfactant (Gal)
	Fresh Water*	CLA-Web	GBW-30	SP Breaker	Gasperm 1100
	185050	92.52	250	348.75	334.5

Proppant Additive System

Proppant	System	Mass (lbm) Coated	Volume (Gal)
Premium White-20/40	SandWedge Max NT	343000	823.2

Proppant

	Designed Qty	Requested
Premium White-20/40	343000 (lbm)	343000 (lbm)

Customer Supplied Items *

	Designed Qty	Tank Bottom	Requested w/ Tank Bottom
Fresh Water	185050 Gal	0 Gal	185050 Gal

HALLIBURTON

Treatment 1

Jensen 6-10-12-10

Well Name	Jensen	FR-66 Water	12000 Gal
Job Name	Jensen 6-10-12-10	Delta Frac 140 - R (17)	27500 Gal
No. of Perfs/Jets	22	Treated Water	4600 Gal
Mid Perf Depth	4980.5 ft	SandWedge Max NT	201.6 Gal
Estimated Pump Time	0.65 hrs	Premium White-20/40	84000 lbm
BHST	130 degF		
Frac Gradient	0.65 psi/ft		

Casing (Surface)								
Trt-Stage	Stage Desc.	Flow Path	Fluid Desc.	Rate-Liq+Prop	Clean Vol.	Proppant	Proppant Conc.	Prop. Mass
1-1	Load Well	IN	FR-66 Water	15	1000		0	0
1-2	Pad	IN	FR-66 Water	30	3000		0	0
1-3	Proppant Laden Fluid	IN	FR-66 Water	30	8000	Premium White-20/40	0.5	4000
1-4	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	30	5000	Premium White-20/40	1	5000
1-5	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	30	5000	Premium White-20/40	2	10000
1-6	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	30	5000	Premium White-20/40	3	15000
1-7	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	30	12500	Premium White-20/40	4	50000
1-8	Flush	IN	Treated Water	30	4600		0	0
Totals					44100			84000

Fluid Details - Treatment 1

Jensen 6-10-12-10

FR-66 Water			
Volume (Gal)	Base Fluid	Surfactant (gal/Mgal)	Clay Control (gal/Mgal)
	Fresh Water *	Gasperm 1100	CLA-Web
12000	0 - 12000	2	0.5

Delta Frac 140 - R (17)					
Volume (Gal)	Base Fluid	Breaker (lbm/Mgal)	Breaker (lbm/Mgal)	Surfactant (gal/Mgal)	Clay Control (gal/Mgal)
	Fresh Water *	GBW-30	SP Breaker	Gasperm 1100	CLA-Web
	0 - 5000	1.5	2	2	0.5
	5000 - 10000	2	3	2	0.5
	10000 - 15000	3	4	2	0.5
27500	15000 - 27500	2	3	2	0.5

Treated Water		
Volume (Gal)	Base Fluid	Clay Control (gal/Mgal)
	Fresh Water *	CLA-Web
4600	0 - 4600	0.5

Proppant Additive System			
Proppant	System	Mass (lbm) Coated	Volume (Gal)
Premium White-20/40	SandWedge Max NT	84000	201.6

* Customer Supplied

HALLIBURTON

Treatment 2

Jensen 6-10-12-10

Well Name	Jensen	FR-66 Water	12000 Gal
Job Name	Jensen 6-10-12-10	Delta Frac 140 - R (17)	27500 Gal
No. of Perfs/Jets	14	Treated Water	4500 Gal
Mid Perf Depth	4980.5 ft	SandWedge Max NT	201.6 Gal
Estimated Pump Time	0.97 hrs	Premium White-20/40	84000 lbm
BHST	130 degF		
Frac Gradient	0.65 psi/ft		

Casing (Surface)								
Trt-Stage	Stage Desc.	Flow Path	Fluid Desc.	Rate-Liq+Prop	Clean Vol.	Proppant	Proppant Conc.	Prop. Mass
2-1	Load Well	IN	FR-66 Water	10	1000		0	0
2-2	Pad	IN	FR-66 Water	20	3000		0	0
2-3	Proppant Laden Fluid	IN	FR-66 Water	20	8000	Premium White-20/40	0.5	4000
2-4	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	20	5000	Premium White-20/40	1	5000
2-5	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	20	5000	Premium White-20/40	2	10000
2-6	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	20	5000	Premium White-20/40	3	15000
2-7	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	20	12500	Premium White-20/40	4	50000
2-8	Flush	IN	Treated Water	20	4500		0	0
Totals					44000			84000

Fluid Details - Treatment 2

Jensen 6-10-12-10

FR-66 Water			
Volume (Gal)	Base Fluid	Surfactant (gal/Mgal)	Clay Control (gal/Mgal)
	Fresh Water *	Gasperm 1100	CLA-Web
12000	0 - 12000	2	0.5

Delta Frac 140 - R (17)					
Volume (Gal)	Base Fluid	Breaker (lbm/Mgal)	Breaker (lbm/Mgal)	Surfactant (gal/Mgal)	Clay Control (gal/Mgal)
	Fresh Water *	GBW-30	SP Breaker	Gasperm 1100	CLA-Web
	0 - 5000	1.5	2	2	0.5
	5000 - 10000	2	3	2	0.5
	10000 - 15000	3	4	2	0.5
27500	15000 - 27500	2	3	2	0.5

Treated Water		
Volume (Gal)	Base Fluid	Clay Control (gal/Mgal)
	Fresh Water *	CLA-Web
4500	0 - 4500	0.5

Proppant Additive System			
Proppant	System	Mass (lbm) Coated	Volume (Gal)
Premium White-20/40	SandWedge Max NT	84000	201.6

* Customer Supplied

HALLIBURTON

Treatment 3

Jensen 6-10-12-10

Well Name	Jensen	FR-66 Water	12000 Gal
Job Name	Jensen 6-10-12-10	Delta Frac 140 - R (17)	25750 Gal
No. of Perfs/Jets	14	Treated Water	4400 Gal
Mid Perf Depth	4980.5 ft	SandWedge Max NT	184.8 Gal
Estimated Pump Time	0.93 hrs	Premium White-20/40	77000 lbm
BHST	130 degF		
Frac Gradient	0.65 psi/ft		

Casing (Surface)								
Trt-Stage	Stage Desc.	Flow Path	Fluid Desc.	Rate-Liq+Prop	Clean Vol.	Proppant	Proppant Conc.	Prop. Mass
3-1	Load Well	IN	FR-66 Water	10	1000		0	0
3-2	Pad	IN	FR-66 Water	20	3000		0	0
3-3	Proppant Laden Fluid	IN	FR-66 Water	20	8000	Premium White-20/40	0.5	4000
3-4	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	20	5000	Premium White-20/40	1	5000
3-5	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	20	5000	Premium White-20/40	2	10000
3-6	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	20	5000	Premium White-20/40	3	15000
3-7	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	20	10750	Premium White-20/40	4	43000
3-8	Flush	IN	Treated Water	20	4400		0	0
Totals					42150			77000

Fluid Details - Treatment 3

Jensen 6-10-12-10

FR-66 Water			
Volume (Gal)	Base Fluid	Surfactant (gal/Mgal)	Clay Control (gal/Mgal)
	Fresh Water *	Gasperm 1100	CLA-Web
12000	0 - 12000	2	0.5

Delta Frac 140 - R (17)					
Volume (Gal)	Base Fluid	Breaker (lbm/Mgal)	Breaker (lbm/Mgal)	Surfactant (gal/Mgal)	Clay Control (gal/Mgal)
	Fresh Water *	GBW-30	SP Breaker	Gasperm 1100	CLA-Web
	0 - 5000	1.5	2	2	0.5
	5000 - 10000	2	3	2	0.5
	10000 - 15000	3	4	2	0.5
25750	15000 - 25750	2	3	2	0.5

Treated Water		
Volume (Gal)	Base Fluid	Clay Control (gal/Mgal)
	Fresh Water *	CLA-Web
4400	0 - 4400	0.5

Proppant Additive System			
Proppant	System	Mass (lbm) Coated	Volume (Gal)
Premium White-20/40	SandWedge Max NT	77000	184.8

* Customer Supplied

HALLIBURTON

Treatment 4

Jensen 6-10-12-10

Well Name	Jensen	FR-66 Water	12000 Gal
Job Name	Jensen 6-10-12-10	Delta Frac 140 - R (17)	35500 Gal
No. of Perfs/Jets	28	Treated Water	4300 Gal
Mid Perf Depth	4980.5 ft	SandWedge Max NT	235.2 Gal
Estimated Pump Time	0.65 hrs	Premium White-20/40	98000 lbm
BHST	130 degF		
Frac Gradient	0.65 psi/ft		

Casing (Surface)								
Trt-Stage	Stage Desc.	Flow Path	Fluid Desc.	Rate-Liq+Prop	Clean Vol.	Proppant	Proppant Conc.	Prop. Mass
4-1	Load Well	IN	FR-66 Water	15	1000		0	0
4-2	Pad	IN	FR-66 Water	35	3000		0	0
4-3	Proppant Laden Fluid	IN	FR-66 Water	35	8000	Premium White-20/40	0.5	4000
4-4	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	35	8000	Premium White-20/40	1	8000
4-5	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	35	8000	Premium White-20/40	2	16000
4-6	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	35	8000	Premium White-20/40	3	24000
4-7	Proppant Laden Fluid	IN	Delta Frac 140 - R (17)	35	11500	Premium White-20/40	4	46000
4-8	Flush	IN	Treated Water	35	4300		0	0
Totals					51800			98000

Fluid Details - Treatment 4

Jensen 6-10-12-10

FR-66 Water			
Volume (Gal)	Base Fluid	Surfactant (gal/Mgal)	Clay Control (gal/Mgal)
	Fresh Water *	Gasperm 1100	CLA-Web
12000	0 - 12000	2	0.5

Delta Frac 140 - R (17)					
Volume (Gal)	Base Fluid	Breaker (lbm/Mgal)	Breaker (lbm/Mgal)	Surfactant (gal/Mgal)	Clay Control (gal/Mgal)
	Fresh Water *	GBW-30	SP Breaker	Gasperm 1100	CLA-Web
	0 - 8000	1.5	2	2	0.5
	8000 - 16000	2	3	2	0.5
	16000 - 24000	3	4	2	0.5
35500	24000 - 35500	2	3	2	0.5

Treated Water		
Volume (Gal)	Base Fluid	Clay Control (gal/Mgal)
	Fresh Water *	CLA-Web
4300	0 - 4300	0.5

Proppant Additive System			
Proppant	System	Mass (lbm) Coated	Volume (Gal)
Premium White-20/40	SandWedge Max NT	98000	235.2

* Customer Supplied

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

RECEIVED
JUN 26 2012

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

DIV. OF OIL, GAS & MINING

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Castlegate
2. NAME OF OPERATOR: Blue Tip Castlegate Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1205 Independence Ave. CITY Price STATE UT ZIP 84501		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1886' FNL, 1754' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 10 12S 10E		8. WELL NAME and NUMBER: Jensen Federal 6-10
PHONE NUMBER: (620) 202-1749		9. API NUMBER: 4300750177
COUNTY: Carbon		10. FIELD AND POOL, OR WILDCAT: Castlegate
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input checked="" type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 11/30/2011	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input checked="" type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

11/05/11
PBSD at 4853'. Perforated 4656-4662, 4635-4638, 4625-4626, 4615-4616 with 2 SPF (22 shots). Stage 1- Fraced perforations with 61,549 gal water and 83,700 # 20-40 sand. Perfed 4528-4530, and 4515-4520 with 2 SPF (14 shots). Stage 2 - Fraced with 43,696 gal water and 84,200 # 20-40 sand.

11/06/11
Rigged up pulling unit and circulated out sand to 30' above 2nd stage plug (set at 4598)

11/07/11
Perf with 2 SPF at 4484-4487, 4456-4460 (14 shots). Stage 3 -Frac with 77,400 # 20-40 sand and 42,589 gal water. Perf with 2 SPF at 4424-4425, 4412-4414, 4396-4397, 4373-4378, 4313-4314 (28 shots). Stage 4 - Pumped 85,400 # 20-40 sand and 48996 gal water. "

11/16/2011
Cleaned out to 4436' and drilled first bridge plug

11/17/2011
Drilled out 2nd and 3rd plugs and cleaned out to PBSD of 4853'.

11/18/11
Installed submersible pump with pump intake at 4715 '

11/30/11
Started pump and started producing well

NAME (PLEASE PRINT) <u>Mike Cerelli</u>	TITLE <u>Utah Asset Manager</u>
SIGNATURE <u><i>Mike Cerelli</i></u>	DATE <u>12/4/2011</u>

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

AMENDED REPORT ☐
(highlight changes)

FORM 8

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU65948
b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR: Blue Tip Castlegate Inc		7. UNIT or CA AGREEMENT NAME
3. ADDRESS OF OPERATOR: 15810 Park Ten Pl. Ste 160 CITY Houston STATE TX ZIP 77084		8. WELL NAME and NUMBER: Jensen Federal 6-10-1270 ✓
PHONE NUMBER: (281) 944-3800		9. API NUMBER: 4300750177
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1886FNL 1754FWL, 39.800439N, 110.791308W AT TOP PRODUCING INTERVAL REPORTED BELOW: 1886FNL 1754FWL, 39.800439N, 110.791308W AT TOTAL DEPTH: 1886FNL 1754FWL, 39.800439N, 110.791308W		10. FIELD AND POOL, OR WILDCAT Castlegate
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SE NW 10 12S 10E S		12. COUNTY Carbon
13. STATE UTAH		

14. DATE SPUDDED: 9/8/2011	15. DATE T.D. REACHED: 9/20/2011	16. DATE COMPLETED: 11/7/2011	ABANDONED <input type="checkbox"/> READY TO PRODUCE <input checked="" type="checkbox"/>	17. ELEVATIONS (DF, RKB, RT, GL): 7162 GL
18. TOTAL DEPTH: MD 4,897 TVD 4,897	19. PLUG BACK T.D.: MD 4,851 TVD 4,851	20. IF MULTIPLE COMPLETIONS, HOW MANY? *		21. DEPTH BRIDGE MD PLUG SET: TVD
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) Spectral Density, Neutron, Array Compensated, Resistivity, Gamma Ray, Bore Hole Vol			23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy)	

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/L)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12.25	8-5/8 J55	24	0	597		G 430	88	0'	
7.875	5-1/2 J55	17	0	4,867	2,887	G 570	248	0'	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-7/8"	4,695	None						

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) See Exhibit A								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

27. PERFORATION RECORD

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
See Exhibit B	

29. ENCLOSED ATTACHMENTS:

- ☒ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER: _____

30. WELL STATUS:

Producing

SEP 17 2012

Div of Oil, Gas & Mining

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED: 11/30/2011	TEST DATE: 11/30/2011	HOURS TESTED: 24	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF: 39	WATER - BBL: 94	PROD. METHOD:
CHOKE SIZE: 2-1/16"	TBG. PRESS. 50	CSG. PRESS. 229	API GRAVITY	BTU - GAS 960	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 39 WATER - BBL: 94 INTERVAL STATUS: Flowing

INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: GAS - MCF: WATER - BBL: INTERVAL STATUS:

INTERVAL C (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: GAS - MCF: WATER - BBL: INTERVAL STATUS:

INTERVAL D (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: GAS - MCF: WATER - BBL: INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Sold

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
				Price River	3,078
				Castlegate	3,498
				Blackhawk	3,830
				Kenilworth	4,543
				Aberdeen	4,735

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) _____

TITLE _____

SIGNATURE _____

DATE _____

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

Exhibit A

Producing Interval		
Formation	Top	Bottom
Black Hawk Coals	4300	4700

Perforation Record			
Peforated Interval	Size	No. Holes	Perf. Status
4313-4425	0.32	28	Open
4456-4487	0.32	14	Open
4515-4530	0.32	14	Open
4615-4662	0.32	22	Open

Exhibit B

Zone 1		
Top Perf:	4,615	ft
Bottom Perf:	4,662	ft
Base Fluid:	8.4	lb/gal
FR-66 Water:	27,429	gal
Delta 140 R(17):	29,443	gal
Flush (Treated Water):	4,677	gal
Total Fluid:	61,549	gal
20/40 Prem. White:	83,700	lbs

Zone 2		
Top Perf:	4,515	ft
Bottom Perf:	4,530	ft
Base Fluid:	8.4	lb/gal
FR-66 Water:	12,036	gal
Delta 140 R(17):	27,755	gal
Flush (Treated Water):	3,905	gal
Total Fluid:	43,696	gal
20/40 Prem. White:	84,200	lbs

Zone 3		
Top Perf:	4,456	ft
Bottom Perf:	4,487	ft
Base Fluid:	8.4	lb/gal
FR-66 Water:	11,742	gal
Delta 140 R(17):	25,835	gal
Flush (Treated Water):	5,009	gal
Total Fluid:	42,586	gal
20/40 Prem. White:	77,200	lbs

Zone 4		
Top Perf:	4,313	ft
Bottom Perf:	4,425	ft
Base Fluid:	8.4	lb/gal
FR-66 Water:	12,300	gal
Delta 140 R(17):	31,741	gal
Flush (Treated Water):	4,955	gal
Total Fluid:	48,996	gal
20/40 Prem. White:	85,400	lbs

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

RECEIVED
JUN 21 2013
DIV. OF OIL, GAS & MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: U-65948
2. NAME OF OPERATOR: Blue Tip Castlegate, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 14905 120th Rd CITY Erie STATE KS ZIP 66773		7. UNIT or CA AGREEMENT NAME: 78952
PHONE NUMBER: (720) 407-8493		8. WELL NAME and NUMBER: Jensen Fed 6-10-12-10
9. API NUMBER: 4300750177		10. FIELD AND POOL, OR WILDCAT: Castlegate

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1886' FNL & 1754' FWL COUNTY: Carbon
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 10 12S 10E S STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input checked="" type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please change the well type of this well from OW to GW.

COPY SENT TO OPERATOR

Date: 7.10.2013
Initials: KS

NAME (PLEASE PRINT) Wendy Clemente	TITLE Legal Assistant
SIGNATURE <i>Wendy Clemente</i>	DATE 6/18/2013

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 7/2/2013
BY: *[Signature]*
(See Instructions on Reverse Side)

Division of Oil, Gas and Mining
Operator Change/Name Change Worksheet-for State use only

Effective Date: 7/1/2016

FORMER OPERATOR:	NEW OPERATOR:
Blue Tip Castlegate, Inc. 15810 Park Ten Place, Suite 160 Houston TX 77084	Liberty Pioneer Energy Sources, Inc. 1411 East 840 North Orem UT 84097
CA Number(s):	Unit(s): N/A

WELL INFORMATION:

Well Name	Sec	TWN	RNG	API	Entity	Mineral	Surface	Type	Status
See Attached List									

OPERATOR CHANGES DOCUMENTATION:

1. Sundry or legal documentation was received from the **FORMER** operator on: 7/21/2016
2. Sundry or legal documentation was received from the **NEW** operator on: 7/21/2016
3. New operator Division of Corporations Business Number: 6353640-0143

REVIEW:

1. Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: N/A
2. Receipt of Acceptance of Drilling Procedures for APD on: N/A
3. Reports current for Production/Disposition & Sundries: 8/26/2016
4. OPS/SI/TA well(s) reviewed for full cost bonding: 8/26/2016
5. UIC5 on all disposal/injection/storage well(s) approved on: 8/26/2016
6. Surface Facility(s) included in operator change: N/A
7. Inspections of PA state/fee well sites complete on (only upon operators request): N/A

NEW OPERATOR BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: ~~N/A~~ UTB000334
2. Indian well(s) covered by Bond Number: N/A
3. State/fee well(s) covered by Bond Number(s): RLB0012097

DATA ENTRY:

1. Well(s) update in the **OGIS** on: 8/26/2016
2. Entity Number(s) updated in **OGIS** on: 8/26/2016
3. Unit(s) operator number update in **OGIS** on: N/A
4. Surface Facilities update in **OGIS** on: N/A
5. State/Fee well(s) attached to bond(s) in **RBDMS** on: 8/26/2016
6. Surface Facilities update in **RBDMS** on: N/A

COMMENTS:

From: Blue Tip Castlegate, Inc.
To: Liberty Pioneer Energy Source, Inc.
Effective: 7/1/2016

Well Name	Sec	TWN	RNG	API Number	Entity	Mineral	Surface	Type	Status
CASTLEGATE ST 1-35-12-10 WD	35	110S	100E	4301332308	13472	State	State	WD	A
JENSEN 9-10-12-10	10	120S	100E	4300730159	12906	Fee	Fee	GW	P
JENSEN 5-10-12-10	10	120S	100E	4300730162	12905	Fee	Fee	GW	P
JENSEN 16-9-12-10	9	120S	100E	4300730163	12904	Fee	Fee	GW	P
JENSEN 11-10-12-10	10	120S	100E	4300730164	11405	Fee	Fee	GW	P
CASTLEGATE ST 1-16-12-10	16	120S	100E	4300730589	12610	State	State	GW	P
JENSEN 1-10-12-10	10	120S	100E	4300730596	12611	Fee	Fee	GW	P
JENSEN 1-9-12-10	9	120S	100E	4300730717	12903	Fee	Fee	GW	P
JENSEN 2-9-12-10	9	120S	100E	4300730735	13317	Fee	Fee	GW	P
JENSEN 1-15-12-10	15	120S	100E	4300730736	13072	Fee	Fee	GW	P
JENSEN 1-8-12-10	8	120S	100E	4300730768	13359	Fee	Fee	GW	P
JENSEN DEEP 7-15-12-10	15	120S	100E	4300730786	13247	Fee	Fee	GW	P
JENSEN 23C-9-12-10	9	120S	100E	4300731211	15770	Fee	Fee	GW	P
JENSEN 33C-9-12-10	9	120S	100E	4300731212	15769	Fee	Fee	GW	P
JENSEN 43C-9-12-10	9	120S	100E	4300731214	15768	Fee	Fee	GW	P
CASTLEGATE FED 22C-9-12-10	9	120S	100E	4300731225	15767	Federal	Federal	GW	P
JENSEN 41C-9-12-10	9	120S	100E	4300731452	17246	Fee	Fee	GW	P
JENSEN 14C-10-12-10	10	120S	100E	4300731453	17235	Fee	Fee	GW	P
JENSEN FED 6-10-12-10	10	120S	100E	4300750177	18209	Federal	Fee	GW	P
SHIMMIN TRUST 5-14-12-10	14	120S	100E	4300730122	14175	Fee	Fee	GW	S
CASTLEGATE FED 7-9-12-10	9	120S	100E	4300730137	12991	Federal	Federal	GW	S
SHIMMIN TRUST 11-11-12-10	11	120S	100E	4300730166	11410	Fee	Fee	GW	S
SHIMMIN TRUST 2-11-12-10	11	120S	100E	4300730659	13070	Fee	Fee	GW	S
SHIMMIN TRUST 4-14-12-10	14	120S	100E	4300730662	13071	Fee	Fee	GW	S
SHIMMIN TRUST 1-11-12-10	11	120S	100E	4300730673	12901	Fee	Fee	GW	S
JENSEN 1-18-12-10	18	120S	100E	4300730718	14226	Fee	Fee	GW	S
JENSEN 1-4-12-10	4	120S	100E	4300730733	13068	Fee	Fee	GW	S
JENSEN 2-8-12-10	8	120S	100E	4300730734	13275	Fee	Fee	GW	S
CASTLEGATE ST 4-16-12-10	16	120S	100E	4300730785	13318	State	State	GW	S
CASTLEGATE ST 11-16H-12-10	16	120S	100E	4300730961	14224	State	State	GW	S
JENSEN 42C-9-12-10	9	120S	100E	4300731213	15766	Fee	Fee	GW	S
JENSEN 2C-9	9	120S	100E	4300750179	18242	Fee	Fee	GW	S
JENSEN ST 11C-34-11-9	34	110S	090E	4304930024	17071	State	Fee	GW	S

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL ☐ GAS WELL ☒ OTHER _____

2. NAME OF OPERATOR:
Liberty Pioneer Energy Source, Inc.

3. ADDRESS OF OPERATOR:
1411 E 840 N CITY Orem STATE UT ZIP 84097

PHONE NUMBER:
(801)224-4771

4. LOCATION OF WELL

FOOTAGES AT SURFACE: SEE ATTACHED LIST

COUNTY:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE:

UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:
SEE ATTACHED LIST

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
SEE ATTACHED LIST

9. API NUMBER:
SEE ATTACHED LIST

10. FIELD AND POOL, OR WILDCAT:

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

CHANGE OF OPERATOR

PREVIOUS OPERATOR:
Blue Tip Castlegate, Inc. N3680
15810 Park Ten Place - Suite 160
Houston, TX 77084
Phone (281) 994-3800

Operator Number N3680

By: Bruce L. Taylor
Bruce L. Taylor, Vice President

NEW OPERATOR:
Liberty Pioneer Energy Source, Inc. N2855
1411 East 840 North
Orem, UT 84097
Phone (801) 224-4771

Operator Number N2855

RECEIVED

JUL 21 2016

DIV. OF OIL, GAS & MINING

Be advised that Liberty Pioneer Energy Source, Inc. is responsible under the terms and conditions of the related leases for the operations conducted upon the leased lands. Bond coverage is covered by Bond No. RLB0012097.

NAME (PLEASE PRINT) Kimball Hodges

TITLE Vice President of Liberty Pioneer Energy Source, Inc.

SIGNATURE

DATE

7/18/16

(This space for State use only)

APPROVED

AUG 26 2016

DIV. OIL GAS & MINING
BY: Rachael Medema

ATTACHED LIST to Change of Operator Sundry Notice

BTC WELL NUMBER	WELL NAME AND NUMBER	LEGAL DESCRIPTION	OPERATOR	API	COUNTY	STATE
2080001	JENSEN 1-4-12-10	Salt Lake Meridian T12S R10E Sec 04: SWSE	BLUE TIP CASTLEGATE INC.	43-007-30733-0000	CARBON	UTAH
2080002	JENSEN 1-8-12-10	Salt Lake Meridian T12S R10E Sec 08: NESE	BLUE TIP CASTLEGATE INC.	43-007-30768-0000	CARBON	UTAH
2080003	JENSEN 2-8-12-10	Salt Lake Meridian T12S R10E Sec 08: NENE	BLUE TIP CASTLEGATE INC.	43-007-30734-0000	CARBON	UTAH
2080004	CASTLEGATE FED 22C-9-12-10	Salt Lake Meridian T12S R10E Sec 09: SENW	BLUE TIP CASTLEGATE INC.	43-007-31225-0000	CARBON	UTAH
2080005	CASTLEGATE FED 7-9-12-10	Salt Lake Meridian T12S R10E Sec 09: SWNE	BLUE TIP CASTLEGATE INC.	43-007-30137-0000	CARBON	UTAH
2080006	JENSEN 1-9-12-10	Salt Lake Meridian T12S R10E Sec 09: NWSW	BLUE TIP CASTLEGATE INC.	43-007-30717-0000	CARBON	UTAH
2080007	JENSEN 2-9-12-10	Salt Lake Meridian T12S R10E Sec 09: NENW	BLUE TIP CASTLEGATE INC.	43-007-30735-0000	CARBON	UTAH
2080008	JENSEN 16-9-12-10	Salt Lake Meridian T12S R10E Sec 09: SESE	BLUE TIP CASTLEGATE INC.	43-007-30163-0000	CARBON	UTAH
2080009	JENSEN 23C-9-12-10	Salt Lake Meridian T12S R10E Sec 09: NESW	BLUE TIP CASTLEGATE INC.	43-007-31211-0000	CARBON	UTAH
2080010	JENSEN 33C-9-12-10	Salt Lake Meridian T12S R10E Sec 09: NWSE	BLUE TIP CASTLEGATE INC.	43-007-31212-0000	CARBON	UTAH
2080011	JENSEN 42C-9-12-10	Salt Lake Meridian T12S R10E Sec 09: SENE	BLUE TIP CASTLEGATE INC.	43-007-31213-0000	CARBON	UTAH
2080012	JENSEN 43C-9-12-10	Salt Lake Meridian T12S R10E Sec 09: NESE	BLUE TIP CASTLEGATE INC.	43-007-31214-0000	CARBON	UTAH
2080013	JENSEN 1-10-12-10	Salt Lake Meridian T12S R10E Sec 10: NWSW	BLUE TIP CASTLEGATE INC.	43-007-30596-0000	CARBON	UTAH
2080014	JENSEN 5-10-12-10	Salt Lake Meridian T12S R10E Sec 10: SWNW	BLUE TIP CASTLEGATE INC.	43-007-30162-0000	CARBON	UTAH
2080015	JENSEN 11-10-12-10	Salt Lake Meridian T12S R10E Sec 10: NESW	BLUE TIP CASTLEGATE INC.	43-007-30164-0000	CARBON	UTAH

ATTACHED LIST to Change of Operator Sundry Notice

BTC WELL NUMBER	WELL NAME AND NUMBER	LEGAL DESCRIPTION	OPERATOR	API	COUNTY	STATE
2080016	JENSEN 14C-10-12-10	Salt Lake Meridian T12S R10E Sec 10: SWSW	BLUE TIP CASTLEGATE INC.	43-007-31453-0000	CARBON	UTAH
2080017	SHIMMIN TRUST 1-11-12-10	Salt Lake Meridian T12S R10E Sec 11: SWSW	BLUE TIP CASTLEGATE INC.	43-007-30673-0000	CARBON	UTAH
2080018	SHIMMIN TRUST 2-11-12-10	Salt Lake Meridian T12S R10E Sec 11: SESE	BLUE TIP CASTLEGATE INC.	43-007-30659-0000	CARBON	UTAH
2080019	SHIMMIN TRUST 4-14-12-10	Salt Lake Meridian T12S R10E Sec 14: SENW	BLUE TIP CASTLEGATE INC.	43-007-30662-0000	CARBON	UTAH
2080020	SHIMMIN TRUST 5-14-12-10	Salt Lake Meridian T12S R10E Sec 14: NWNE	BLUE TIP CASTLEGATE INC.	43-007-30122-0000	CARBON	UTAH
2080021	JENSEN 1-15-12-10	Salt Lake Meridian T12S R10E Sec 15: SWNE	BLUE TIP CASTLEGATE INC.	43-007-30736-0000	CARBON	UTAH
2080022	JENSEN DEEP 7-15-12-10	Salt Lake Meridian T12S R10E Sec 15: SWNE	BLUE TIP CASTLEGATE INC.	43-007-30786-0000	CARBON	UTAH
2080023	CASTLEGATE ST 1-16-12-10	Salt Lake Meridian T12S R10E Sec 16: NWNE	BLUE TIP CASTLEGATE INC.	43-007-30589-0000	CARBON	UTAH
2080024	CASTLEGATE ST 4-16-12-10	Salt Lake Meridian T12S R10E Sec 16: SENW	BLUE TIP CASTLEGATE INC.	43-007-30785-0000	CARBON	UTAH
2080025	JENSEN 1-18-12-10	Salt Lake Meridian T12S R10E Sec 18: NESE	BLUE TIP CASTLEGATE INC.	43-007-30718-0000	CARBON	UTAH
2080026	CASTLEGATE ST 1-35-12-10 WD	Salt Lake Meridian T11S R10E Sec 35: SWSW	BLUE TIP CASTLEGATE INC.	43-013-32308-0000	DUCHESNE	UTAH
2080027	CASTLEGATE ST 11-16H-12-10	Salt Lake Meridian T12S R10E Sec 16: NWNW	BLUE TIP CASTLEGATE INC.	43-007-30961-0000	CARBON	UTAH
2080028	JENSEN STATE 11C-34-11-9	Salt Lake Meridian T11S R9E Sec 34: NWNW	BLUE TIP CASTLEGATE INC.	43-049-30024-0000	UTAH	UTAH
2080030	JENSEN 41C-9-12-10	Salt Lake Meridian T12S R10E Sec 09: NENE	BLUE TIP CASTLEGATE INC.	43-007-31452-0000	CARBON	UTAH

29

ATTACHED LIST to Change of Operator Sundry Notice

BTC WELL NUMBER	WELL NAME AND NUMBER	LEGAL DESCRIPTION	OPERATOR	API	COUNTY	STATE
2080032	JENSEN 9-10-12-10	Salt Lake Meridian T12S R10E Sec 10: NESE	BLUE TIP CASTLEGATE INC.	43-007-30159-0000	CARBON	UTAH
2080033	SHIMMIN TRUST 11-11-12-10	Salt Lake Meridian T12S R10E Sec 11: NESW	BLUE TIP CASTLEGATE INC.	43-007-30166-0000	CARBON	UTAH
2080042	JENSEN 2C-9-12-10	Salt Lake Meridian T12S R10E Sec 9: NW4NE4	BLUE TIP CASTLEGATE INC.	43-007-01790-0000 50179	CARBON	UTAH
2080043	JENSEN FED 6-10-12-10	Salt Lake Meridian T12S R10E Sec 6: SE4NW4	BLUE TIP CASTLEGATE INC.	43-007-50177-0000	CARBON	UTAH

33

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

UIC FORM 5

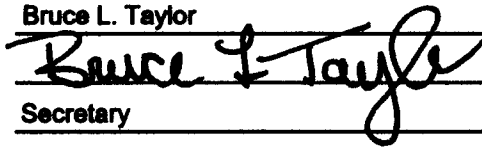
TRANSFER OF AUTHORITY TO INJECT

Well Name and Number Castlegate St 1-35-12-10	API Number 4301332308
Location of Well Footage: 540' FSL, 1135' FWL County: Duchesne QQ, Section, Township, Range: SWSW 35 11S 10E State: UTAH	Field or Unit Name Castlegate Lease Designation and Number ML-48822

EFFECTIVE DATE OF TRANSFER: 7/1/2016

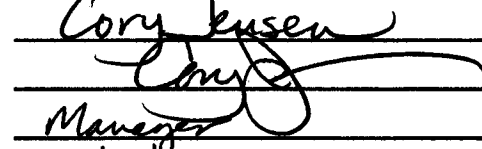
CURRENT OPERATOR

Company: Blue Tip Castlegate, Inc.
Address: P. O. Box 842317
city Houston state TX zip 77284
Phone: (281) 944-3800
Comments:

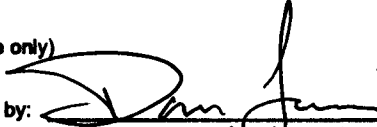
Name: Bruce L. Taylor
Signature: 
Title: Secretary
Date: 7/1/2016

NEW OPERATOR

Company: WEM Castlegate, LLC
Address: 1411 East 840 North
city Orem state UT zip 84097
Phone:
Comments:

Name: Cory Eusem
Signature: 
Title: Manager
Date: 7/11/16

(This space for State use only)

Transfer approved by: 
Title: UIC Geologist

Approval Date: 8/3/16

Comments:

RECEIVED

JUL 21 2016



Dustin K. Doucet
Petroleum Engineer
Division of Oil, Gas and Mining
1594 West North Temple, Ste 1210
Salt Lake City, Utah 84116

RE: Bonding for Castlegate Field Wells

August 15, 2016

Dustin:

Blue Tip Energy Management, LLC was the previous operator and bondholder of the Castle Gate Field and associated wells listed below. Liberty Pioneer Energy Source, Inc. ("LPES") has submitted the necessary paperwork to take over as the new operator of these wells. Per our recent communications we would like to make the following proposal pertaining to the bonding of the wells listed below so that all of the wells in the field will be covered by LPES blanket bond #RLB0012097.

1) LPES plans to P&A the following wells prior to November 1, 2016:

13318 CASTLEGATE ST 4-16-12-10
14224 CASTLEGATE ST 11-16H-12-10

2) LPES is currently getting pricing to build a pipeline to the following well which is believed to be capable of production. If pricing is reasonable, LPES will propose production testing and flaring. We will notify you of our decision to either run a pipeline or plug and abandon this well before the end of 2016. If the decision is to produce, LPES will commence the pipeline permitting process before the end of 2016:

17071 JENSEN STATE 11C-34-11-9

3) Wells that are currently producing or will be returned to producing status by October 1, 2016:

13070 SHIMMIN TRUST 2-11-12-10
13275 JENSEN 2-8-12-10
13071 SHIMMIN TRUST 4-14-12-10
13068 JENSEN 1-4-12-10
18242 JENSEN 2C-9-12-10
12991 CASTLEGATE FED 7-9-12-10
11405 JENSEN 11-10-12-10
12610 CASTLEGATE ST 1-16-12-10
12611 JENSEN 1-10-12-10
12903 JENSEN 1-9-12-10
12904 JENSEN 16-9-12-10
12905 JENSEN 5-10-12-10
12906 JENSEN 9-10-12-10
13072 JENSEN 1-15-12-10
13247 JENSEN DEEP 7-15-12-10
13317 JENSEN 2-9-12-10
13359 JENSEN 1-8-12-10
15766 JENSEN 42C-9-12-10
15767 CASTLEGATE FED 22C-9-12-10
15768 JENSEN 43C-9-12-10
15769 JENSEN 33C-9-12-10
15770 JENSEN 23C-9-12-10
17235 JENSEN 14C-10-12-10
17246 JENSEN 41C-9-12-10
14226 JENSEN 1-18-12-10
11410 SHIMMIN TRUST 11-11-12-10
12901 SHIMMIN TRUST 1-11-12-10
14175 SHIMMIN TRUST 5-14-12-10
18209 JENSEN 6-10-12-10

Thanks for your help. Please let us know if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Gunnell', with a stylized flourish at the end.

Daniel R. Gunnell

President

Liberty Pioneer Energy Source, Inc.

1411 East 840 North

Orem, UT 84097



Rachel Medina <rachelmedina@utah.gov>

Fwd: LPES plans for the Castlegate field wells/Bonding

2 messages

Dayne Doucet <daynedoucet@utah.gov>

Wed, Aug 17, 2016 at 11:46 AM

To: Rachel Medina <rachelmedina@utah.gov>, Randy Thackeray <randythackeray@utah.gov>

FYI

----- Forwarded message -----

From: **Daniel Gunnell** <dgunnell@rockiesstandard.com>

Date: Wed, Aug 17, 2016 at 9:40 AM

Subject: Re: LPES plans for the Castlegate field wells/Bonding

To: Dustin Doucet <dustindoucet@utah.gov>

Cc: Brad Gunnell <bgunnell@rockiesstandard.com>, Cory Jensen <cjensen@rockiesstandard.com>, Kimball Hodges <khodges@rockiesstandard.com>, Dayne Doucet <daynedoucet@utah.gov>, Joshua Payne <joshuapayne@utah.gov>

Dustin:

Thanks for your help with this! Please find Bond Proposal Letter attached.

If there is anything else you need please let me know. The Blue Tip guys are anxious to get their bond released.

Let me know if I need to send a hard copy of the letter.

Best,

Danny

On Mon, Aug 8, 2016 at 9:24 AM, Dustin Doucet <dustindoucet@utah.gov> wrote:

Danny,

Yes if you would just edit your previous plan and resubmit so there is no confusion. I think that would make it cleaner. If you decide to put a well online and have it online by the plugging deadline, then that should be fine.

Dustin

On Tue, Aug 2, 2016 at 4:31 PM, Daniel Gunnell <dgunnell@rockiesstandard.com> wrote:

Dustin:

Sorry for not getting back to you on this until now. There maybe a couple of wells that we may come back to you specifically on, but I think that we have now got a pretty good go forward plan that will meet and exceed your end of the year time frame for getting the wells in categories 2 and 3 in production.

There is one material change to my previous email that we want to make you aware of - instead of plugging the 11C-34 we are seriously considering running a pipeline to it and bringing online... not a final decision yet, but we are have got and are getting additional bids, and designing a test plan to better understand what production would look like.

Do I need to submit a formal letter with dates of Nov 1 for plugging and end of year to get wells on production under our existing bonds or are these emails sufficient?

Thanks for your help!

Best,

Danny

What time do you think you need? I would think by the end of the year max. If you can line out more justification, I'm open to listening to the reasoning.

Dustin

On Thu, Jun 30, 2016 at 12:21 PM, Daniel Gunnell <dgunnell@rockiesstandard.com> wrote:
Dustin:

Sounds good. Thanks for your help.

Can we push back just a little to get as much time as possible for shut in wells that we need to come up with a plan for or plug (#2 in my original email?) - how much beyond Oct 2016 could you give us? We are going to be really busy so as much extra time as you can give really helps... we are reclaiming those evaporation ponds immediately, taking over operations, retrofitting the plant, plugging the identified wells, and ramping up production by reworking multiple shut-in wells that are we have already reviewed.

Let me know and thanks again.

Best,

Danny

On Thu, Jun 30, 2016 at 10:30 AM, Dustin Doucet <dustindoucet@utah.gov> wrote:
Danny,

I would be o.k. with the timing and plan on part 1. The timing on part 2 does not work. Those have been SI/TA anywhere from 2.5 to 5 years. Did you mean October 2016? Our discussions were if you had a plan to produce or plug within a short period (meaning a few months), then we could forego increased bonding but increased bonding would be necessary if that wasn't accomplished. Part 3 would be similar to part 2 on the wells that have been SI/TA. The producing ones would probably be fine as you have 1 year allowed by rule (see below).

Production data through Jan 2016

13070	SHIMMIN TRUST 2-11-12-10 <u>SI since Sep 2014</u>
13275	JENSEN 2-8-12-10 <u>SI since Nov 2015</u>
13071	SHIMMIN TRUST 4-14-12-10 <u>SI since Dec 2015</u>
13068	JENSEN 1-4-12-10 <u>Produced 1 day in Jan 2016</u>
18242	JENSEN 2C-9-12-10 <u>Producing</u>
12991	CASTLEGATE FED 7-9-12-10 <u>Producing</u>
11405	JENSEN 11-10-12-10 <u>Producing</u>
12610	CASTLEGATE ST 1-16-12-10 <u>Producing</u>
12611	JENSEN 1-10-12-10 <u>Producing</u>
12903	JENSEN 1-9-12-10 <u>Producing</u>
12904	JENSEN 16-9-12-10 <u>Producing</u>
12905	JENSEN 5-10-12-10 <u>Producing</u>
12906	JENSEN 9-10-12-10 <u>Producing</u>
13072	JENSEN 1-15-12-10 <u>Produced 1 day in Jan 2016</u>
13247	JENSEN DEEP 7-15-12-10 <u>Produced 1 day in Jan 2016</u>

13359 JENSEN 1-8-12-10 Producing
15766 JENSEN 42C-9-12-10 Producing
15767 CASTLEGATE FED 22C-9-12-10 Producing
15768 JENSEN 43C-9-12-10 Producing
15769 JENSEN 33C-9-12-10 Producing
15770 JENSEN 23C-9-12-10 SI since Nov 2015
17235 JENSEN 14C-10-12-10 Producing
17246 JENSEN 41C-9-12-10 Producing
18209 JENSEN 6-10-12-10 Producing

On Fri, Jun 24, 2016 at 11:28 AM, Daniel Gunnell <dgunnell@rockiesstandard.com> wrote:

Dustin:

Per our recent conversation, I wanted to informally run our plans/bonding proposal for the Castle Gate Field by you for your comment prior to submitting a final proposal. Here is what we are considering:

Blue Tip Energy Management, LLC ("Blue Tip"), is the current operator and bondholder, of the Castle Gate Field and associated wells listed below ("Wells"). LPES should take over as the new operator effective July 1 2016. In anticipation of the transfer of operations and per our recent phone conversation we would like to make the following proposal pertaining to the LPES bonding of the wells listed below so that all of the wells in the field will be covered by LPES blanket bond #RLB0012097.

1) LPES will P&A the following wells prior to November 1, 2016:

17071 JENSEN STATE 11C-34-11-9
14224 CASTLEGATE ST 11-16H-12-10

2) LPES will evaluate and propose a go forward plan after evaluation on the following shut-in wells prior to October 1 2017:

13318 CASTLEGATE ST 4-16-12-10
14226 JENSEN 1-18-12-10
11410 SHIMMIN TRUST 11-11-12-10
12901 SHIMMIN TRUST 1-11-12-10
14175 SHIMMIN TRUST 5-14-12-10

13070 SHIMMIN TRUST 2-11-12-10

13275 JENSEN 2-8-12-10

13071 SHIMMIN TRUST 4-14-12-10

13068 JENSEN 1-4-12-10

18242 JENSEN 2C-9-12-10

12991 CASTLEGATE FED 7-9-12-10

11405 JENSEN 11-10-12-10

12610 CASTLEGATE ST 1-16-12-10

12611 JENSEN 1-10-12-10

12903 JENSEN 1-9-12-10

12904 JENSEN 16-9-12-10

12905 JENSEN 5-10-12-10

12906 JENSEN 9-10-12-10

13072 JENSEN 1-15-12-10

13247 JENSEN DEEP 7-15-12-10

13317 JENSEN 2-9-12-10

13359 JENSEN 1-8-12-10

15766 JENSEN 42C-9-12-10

15767 CASTLEGATE FED 22C-9-12-10

15768 JENSEN 43C-9-12-10

15769 JENSEN 33C-9-12-10

15770 JENSEN 23C-9-12-10

17235 JENSEN 14C-10-12-10

17246 JENSEN 41C-9-12-10

18209 JENSEN 6-10-12-10

If this proposal is acceptable please let me know and I will submit a formal letter for approval. Thanks for your help.

Best,

Danny

-

Daniel R. Gunnell
1411 East 840 North
Orem, UT 84097
(801) 224-4771

Confidentiality Notice--This electronic transmission and any attached documents or other writings are intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. Any disclosure, copying, distribution or the taking of any action concerning the contents of this communication or any attachments by anyone other than the named recipient is strictly prohibited. If you have received this communication in error, please consider the communication and any attachments as confidential and immediately notify sender by return e-mail and destroy the communication and any and all attachments.

-

Dustin K. Doucet
Petroleum Engineer
Division of Oil, Gas and Mining
1594 West North Temple, Ste 1210
Salt Lake City, Utah 84116
801.538.5281 (ofc)
801.359.3940 (fax)

web: www.ogm.utah.gov

-

Daniel R. Gunnell
1411 East 840 North
Orem, UT 84097
(801) 224-4771

Confidentiality Notice--This electronic transmission and any attached documents or other writings are intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. Any disclosure, copying, distribution or the taking of any action concerning the contents of this communication or any attachments by anyone other than the named recipient is strictly prohibited. If you have received this communication in error, please consider the communication and any attachments as confidential and immediately notify sender by return e-mail and destroy the communication and any and all attachments.

-

Dustin K. Doucet
Petroleum Engineer
Division of Oil, Gas and Mining
1594 West North Temple, Ste 1210
Salt Lake City, Utah 84116
801.538.5281 (ofc)
801.359.3940 (fax)

web: www.ogm.utah.gov

--
Daniel R. Gunnell
1411 East 840 North
Orem, UT 84097
(801) 224-4771

Confidentiality Notice—This electronic transmission and any attached documents or other writings are intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. Any disclosure, copying, distribution or the taking of any action concerning the contents of this communication or any attachments by anyone other than the named recipient is strictly prohibited. If you have received this communication in error, please consider the communication and any attachments as confidential and immediately notify sender by return e-mail and destroy the communication and any and all attachments.

--
Dustin K. Doucet
Petroleum Engineer
Division of Oil, Gas and Mining
1594 West North Temple, Ste 1210
Salt Lake City, Utah 84116
801.538.5281 (ofc)
801.359.3940 (fax)

web: www.ogm.utah.gov

--
Daniel R. Gunnell
1411 East 840 North
Orem, UT 84097
(801) 224-4771

Confidentiality Notice—This electronic transmission and any attached documents or other writings are intended only for the person or entity to which it is addressed and may contain information that is privileged, confidential or otherwise protected from disclosure. Any disclosure, copying, distribution or the taking of any action concerning the contents of this communication or any attachments by anyone other than the named recipient is strictly prohibited. If you have received this communication in error, please consider the communication and any attachments as confidential and immediately notify sender by return e-mail and destroy the communication and any and all attachments.

--
Dayne Doucet
Petroleum Engineer
UDOGM
801-538-5303

 **Statewide Bond Proposal.pdf**
421K

Dustin Doucet <dustindoucet@utah.gov>

Wed, Aug 17, 2016 at 2:01 PM

To: Daniel Gunnell <dgunnell@rockiesstandard.com>, Rachel Medina <rachelmedina@utah.gov>

Cc: Brad Gunnell <bgunnell@rockiesstandard.com>, Cory Jensen <cjensen@rockiesstandard.com>, Kimball Hodges <khodges@rockiesstandard.com>, Dayne Doucet <daynedoucet@utah.gov>, Joshua Payne <joshuapayne@utah.gov>

Danny,

I think that looks fine. If the deadlines aren't met we will be looking for full cost bonding in addition to getting the wells back into compliance. I have copied Rachel Medina on this email so she can proceed with the operator change with this plan and conditions. thanks.